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TODAY:
STYLE
King of the Festival Page 11



Mr. Arafat and Mr. Clinton smiling after the Gaza airport ribbon-cutting.

Palestinians Soften Charter

Clinton, in Gaza, Witnesses Nullification of Anti-Israel Clauses

GAZA — On a historic mission of peace, President Bill Clinton told the Palestinian people Monday that they were free to "determine their own destiny on their own land." He then witnessed a Palestinian National Council vote that voided parts of the Palestinian charter that deny Israel's right to exist.

On the first visit to Palestinian-controlled territory by an American president, Mr. Clinton applauded Yasser Arafat, the Palestinian leader, for making what he termed bold moves toward peace with Israel.

Mr. Clinton also said that it was time to think harder about ways to cement the peace and ensure a more prosperous future for all Palestinians.

"For too many Palestinians, lives are hard, jobs are scarce," Mr. Clinton said in an address to the Palestine National Council.

"I know the way is often difficult and frustrating, but you have come to this point through a commitment to peace and negotiations," he continued. "You reaffirmed that commitment today. I believe it is the only way to fulfill the aspiration of your people."

He spoke after about 1,000 of the council's members and representatives of other Palestinian groups stood, at Mr. Arafat's invitation, and raised their hands to affirm elimination of anti-Israel passages from the charter.

In Jerusalem, a spokesman for Prime Minister Benjamin Netanyahu said that Israel's demands for a full-fledged vote had been met, adding: "The prime minister expressed satisfaction with the results of the vote."

The Palestinian gathering was a key requirement under the U.S.-brokered Wye River accord with Israel, which Mr. Clinton has sought to salvage during a three-day visit to the Middle East.

"Sometimes it takes more courage and more strength to make peace than it does to continue war," the U.S. president said earlier in an exchange of remarks with Mr. Arafat at a luncheon in Gaza City.

"For the first time in the history of the Palestinian movement, the Palestinian people and their elected representatives now have a chance to determine their own destiny on their own land," he pointed out, pledging U.S. support.

"America wants you to succeed, and we will help you create the society you deserve," Mr. Clinton said.

Palestinians look to Mr. Clinton's visit to help in their quest for an independent state.

But the president and his senior aides have said that by visiting Gaza, and encouraging the Palestinians to pursue their own destiny, they are not advancing aspirations for Palestinian statehood.

The question of sovereignty, in Washington's view, remains to be considered in further negotiations with Israel. But many Israelis worry that simply by visiting Gaza — a day after he saw Mr. Netanyahu in Jerusalem — Mr. Clinton is implicitly endorsing the calls for statehood.

Mr. Arafat heaped praise on the president for helping pull together the Wye River land-for-security agreement two months ago.

He also thanked him for inaugurating the Gaza International Airport, which he called a "window on the world" for Palestinians. "You are also inaugurating," he said.



Members of the Palestine National Council voting Monday to nullify key parts of their charter.

Clinton Vows to Accept Any 'Reasonable' Deal

Impeachment Isn't in U.S. Interest, He Insists

By Brian Knowlton

International Herald Tribune

WASHINGTON — President Bill Clinton, continuing his Middle East visit even as the political storm clouds at home grow darker, said Monday that impeachment was not in the interest of the country, and he pledged to accept any "reasonable compromise" to resolve the matter.

His comments came as Clinton loyalists in Washington faced new setbacks in their delicate struggle to persuade a score of undecided Republican House members to oppose impeachment in a historic vote Thursday.

Mr. Clinton, speaking at the start of a meeting with the Palestinian leader, Yasser Arafat, said: "I don't believe it's in the interest of the United States and the American people to go through this impeachment process and have a trial in the Senate."

The House of Representatives will vote on four articles of impeachment laid out against Mr. Clinton in the Monica Lewinsky sex scandal: two accuse him of perjury, one of obstruction of justice, and one of abuse of power. A simple majority vote would send the matter to the Senate for trial.

Mr. Clinton was responding Monday to reporters' questions, which were asked as he stood with Mr. Arafat and tried to focus attention on efforts to salvage a peace accord.

"I'm here serving America's interests," he said, "trying to make peace in the Middle East."

Mr. Clinton has been unable, however, to avoid the lengthening shadows at home, where he was to return Tuesday.

On Sunday, three Republican House leaders took the extraordinary step of calling for his resignation even as he was abroad on his delicate peace-making mission.

That call — from the chairman of the Judiciary Committee, Henry Hyde; the majority whip, Thomas DeLay; and the majority leader, Richard Armey — "re-writes the book on perjury," said Mr. Clinton's spokesman, Joe Lockhart.

Mr. Clinton said Sunday that he had no intention of resigning.

In Washington, Vice President Al Gore reaffirmed that "Of course that's not going to happen," he said.

Mr. Gore, speaking after a White House event on law-enforcement, said that legislators risked defying "the wishes of the American people." Americans of both parties, he said, strongly favored censure as an alternative to impeachment and as a means to "give the president the punishment and the rebuke and the censure that they feel is appropriate."

He criticized the House Republican leadership for vowing to block a censure vote and instead putting the country "through this long ordeal."

Mr. Gore said, however, that he was not directly contacting the 20 or so undeclared Republican legislators who will tip the balance when the House votes.

The House is expected to convene its session on the four articles of impeachment at about 10 A.M. on Thursday. House leaders say they will entertain at least six hours of debate, then probably vote on the four articles quickly.

Some legislators predicted Monday that the vote tally Thursday would be within a single-digit margin of the 218

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Mr. Gore at the White House on Monday. He accused Republican leaders of fostering a 'long ordeal.'

Will Impeachment Affect 2000 Vote?

By the 2000 election, Republicans figure, voters who oppose impeachment will have forgotten all about it. Page 4. Moderate Republicans grapple with their options. Page 4. Advocates of censure turn attention to Senate. Page 3.

Debt Sale Puts Thailand Ahead of Recovery Pack

Quick Action Sets Standard for Asia Reforms

By Thomas Crampton

International Herald Tribune

BANGKOK — By the close of bidding Tuesday afternoon, Thailand will mark a watershed in the restructuring of Asia's crisis-hit economies.

On the auction block will be business loans worth nearly half of the \$69 billion debt (\$24.03 billion) in assets seized by the government last year when it shut down much of the country's financial sector and closed 56 finance companies.

The loans will be sold at a discount to their full value — up to 60 percent, experts say — to companies hoping to recover enough money from the borrowers to make a profit.

But the prices of Tuesday's bids are less important, several economists said, than the demonstration that Thailand is restructuring quickly under its \$17 billion aid program from the International Monetary Fund.

"Thailand is setting a benchmark for clearing out bad loans and this auction will be watched throughout Asia," said Jim Walker, chief economist of Credit Lyonnais. "After spending the crisis, Thailand is taking the lead in cleaning up."

The rapid pace of Thailand's asset sell-off, which will largely be complete

if everything is sold Tuesday, places the country's realignment ahead of Indonesia and South Korea, Asia's other two recipients of multibillion-dollar IMF bailouts, according to Chi Lo, senior international economist at Hongkong & Shanghai Banking Corp.

For one thing, Thailand is allowing foreign companies to bid. Among those Japan business confidence at a record low, survey shows, Page 15

expected to participate are General Electric Capital Corp. and Goldman Sachs & Co.

"Keeping foreigners out of the banking sector was really a sacred cow in the Asian model, but this auction is breaking that system down," Mr. Lo said. "Korea, Indonesia and Malaysia really need this sort of auction soon too, but the first two have not even set a date and Malaysia's current policies would not allow it to take place."

Full economic restructuring, however, is far from complete and faces mounting resistance from critics who say that Thailand, the only country in Southeast Asia

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Berlin Holocaust Memorial: Version 2

Schroeder Picks 'Interactive' Complex to Replace Kohl Sculpture Park

By William Drozdiak

Washington Post Service

BERLIN — Germany's tortuous quest to build a Holocaust memorial in the heart of its new capital took a fresh turn Monday when Chancellor Gerhard Schröder's government unveiled a new design that it claims will be more suitable to educate future generations about the horrors of genocide.

The "interactive" project, which borrows heavily from the didactic experience of Washington's Holocaust mu-

seum, would replace a monumental sculpture park favored by Mr. Schröder's predecessor, Helmut Kohl. That plan, which was set for ground-breaking next month, calls for a graveyard-like labyrinth of 2,700 concrete pillars scattered over a five-acre (two-hectare) site near the Brandenburg Gate.

Critics assailed the model by Peter Eisenmann, the architect, and Richard Serra, the sculptor, as oppressively gigantic and too abstract to convey the powerful symbolism behind the murder of 6 million European Jews.

Michael Naumann, Mr. Schröder's designated culture minister, scorned the concept as a "wreath dumping ground" whose grandiose scale recalled the elephantine projects of Hitler's favorite architect, Albert Speer.

In its place, Mr. Naumann says he now envisions a memorial museum that would feature a garden for contemplation, a research library, an exhibition hall, and a "genocide watch" institute that would alert the world to potential mass

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Switzerland Keeps a Wary Eye on Neighbors' Euro

By Charles Trueheart

Washington Post Service

BERN — For generations, the Swiss have been raised on a diet of difference. They were taught that Switzerland is an island of neutrality in a continent of strife, a fortress of orderly prosperity in a Europe beset by high taxes, high unemployment and high interest rates. Being out of step with their neighbors was a national virtue and Switzerland's post-

war status as one of the richest, most stable countries in the world was proof of it.

True to that comforting heritage, and thanks to national plebiscites that decide all important policy changes, Switzerland has repeatedly declined over the years to take part in the march of European unity, just as it has said no to membership in NATO and the United Nations.



So come January, when the countries surrounding Switzerland will shed their national currencies and adopt a common currency, the new euro, the 7 million Swiss will keep their precious franc rather than risk its dilution and with it their independence.

Georg Moser, who operates a leather-goods stall in an outdoor market here in the capital, recited a litany of reasons

why Switzerland is better off on its own than as part of a pan-European morass.

"We've got our troubles, but it's not so bad here," Mr. Moser said, stamping his feet against the chill evening. "Look at the Portuguese and the Spanish — they don't have the same values as we do. I don't trust the Germans. The French can be troublesome, you know. And how can we control what's going

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Pentagon Building Ties and Security Across Former Soviet Empire

By Dana Priest

Washington Post Service

TRENCIN, Slovakia — When the Slovak Army wanted to create an elite rapid deployment battalion last year, an officer on the general staff walked down the stairs of the Soviet-era military headquarters here and into the office of three U.S. military advisers.

Yes, the Americans said, they would arrange for soldiers from the United States to show Slovak field

commanders how to organize the unit. No, they said, they would not equip it with U.S. sniper rifles.

Although U.S. foreign policymakers kept the Slovak government at arm's length for several years to show displeasure with the slow pace of democratic reforms, the U.S. military has been intimately involved in retraining the 42,000-strong Slovak Army. In twos and threes, hundreds of American officers have come each year to help the Soviet-trained force shrink to an affordable size, decentralize decision-making, accept a rational budget

system and submit to control by civilian leaders.

The U.S. military is doing the same thing in 13 countries across Central and Eastern Europe, with plans to expand into the Caucasus and the recently independent states on Russia's southern border.

Once the target of U.S. nuclear weapons, these countries are now the site of the most far-reaching U.S. military-to-military contacts anywhere in the world.

The goal of the effort is to create "a security sphere across Eastern Europe," General Wesley

Clark, NATO's commander and the head of the U.S. European Command, said in an interview.

Through the export of its military doctrine and training, the United States has built on widespread aspirations to join NATO to claim a prominent role in the security arrangements of more than two dozen countries.

"There is a great hunger for American values, ideas and security," General Clark said.

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Newstand Prices

Bahrain	1,000 BD	Naira	55 c
Cyprus	€ 2.100	Algeria	12800
Dominican	17 DR	Oman	1,250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	€ 0.85	Rap. Island	IR €1.10
Great Britain	£1.00	Saudi Arabia	10 SR
Guinea	SE 6.50	Si. Africa	R16 ind VAT
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kenya	K. Sh. 180	U.S. Mil. (Eur.)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim\$40.00



Dealmaking, Shopping, Spying / Capitalist Haven in China

A Border City Courts the North Korean Elite

By Don Kirk
International Herald Tribune

DANDONG, China — Twice a day, the decrepit shuttle bus rattles over the old Japanese-built bridge across the Yalu River, bringing privileged North Koreans into China for another round of deal-making, shopping and spying.

"They eat, they clothe themselves here," said a Chinese-Korean businessman who runs a textile factory in Sinuiju, the North Korean city on the other side of the bridge from Dandong. "When they come here, they can buy anything they want. Some of them come here often. They have connections. Their sons and daughters work for state trading companies. They are a few chosen people."

For the North Korean elite, this bustling enclave of glass-and-steel towers, drab concrete office blocks and crowded apartment buildings provides the country's best access to the outside world beyond the tight-knit circles in which they move in their own starving society.

Several hundred North Korean officials have set up permanent residence in Dandong, say Chinese-Korean businessmen who commute to small factories they operate across the bridge. North Koreans also cross legally into China at several other points on a frontier that winds more than 500 kilometers (more than 300 miles) along the Yalu and then down the Tumen River on the east, but none matches this city of more than a million people in size or importance as a window on the world.

Here, the North Koreans, operating from companies and shops fronting as stores for Chinese-Korean merchants, coordinate their trade along the border with China, by far their largest trading partner and source of diplomatic support. They also ship products from here by way of a fast-modernizing Chinese port a few kilometers downstream at the river's mouth on the Yellow Sea.

In Dandong, the North Koreans find an opening without which many here believe their already impoverished economy could not function.

No one knows, however, which North Korean emissary is doing what, and on whose behalf. Some of them are presumed to be spying on other North Koreans, others on the South Koreans who come here in increasing numbers to do business and on the local Chinese-Koreans, China's largest single minority.

Many of these North Korean elite, say local Koreans, maintain residences on both sides, moving back and forth, making sure to show their superiors and minders they remain above foreign influence.

"These are well-trained people," said a Chinese-Korean in a sidewalk Korean restaurant. "They come here to settle business deals, to talk. They see how much better things are on this side, they never say anything. They go back and forth, but some of their families live here."

On the esplanade along the banks of the Yalu,



Don Kirk/International Herald Tribune

along the narrow streets leading to the central business area, the North Koreans wear one badge that sets them off in the crowd.

"You can tell them by their Kim Il Sung pins," said a South Korean businessman, up from Seoul for a few days of trading with the Chinese. All North Koreans, he notes, must wear the lapel pins, emblazoned with the head of the North Korean leader who died on July 8, 1994, passing on power to his son, Kim Jong Il.

SO PRIVILEGED are some North Koreans here, the businessman said, that the Chinese government provides them housing and other perquisites — rewards not for politics and diplomacy but for their value as business contacts.

"A lot of Chinese have gotten rich here off the North Koreans," he said. "They come in here with Western currency, American dollars. They also change their own currency at the legal rate into Chinese currency and buy products with Chinese money."

As North Korea sinks deeper into poverty, however, business has slumped. Increasingly, the deal-making is done by harter. Fish and vegetables are among the most common items imported here from the other side of the river, but the quality and quantity has been declining.

"For every 10 tons of vegetables, 3 tons are rotten," said a South Korean woman whose husband often deals with North Koreans. "You never trust what you are getting. It's getting hard to get money this way. You have to check everything."

Rows of fishing boats line the banks on the North Korean side, rusting and falling into disrepair. A wisp of smoke curls from one of several

smokestacks rising from old factories beyond the bank. In a children's park, a Ferris wheel rests motionless. It runs, say people here, one day a year: Children's Day, June 6.

"The North Koreans don't have enough oil for their boats," said Kim Byung Gon, a South Korean who comes up here from Seoul to expedite cargo shipments from South Korea to China. "They don't catch a lot of fish, so the price of fish is high."

The brimming markets of Dandong, say those who have seen both sides, contrast with the poverty of Sinuiju, North Korea's second-largest city, with a population of around 750,000.

For North Koreans lucky enough to get to come to Dandong, there is no better place for filling routine daily needs. "They have nothing over there," said one of the businessmen, referring to Sinuiju. "One hundred percent of their necessities, like soap and toothpaste, are from China."

If living standards are low across the water, North Koreans maintain high quality in a restaurant on the main street, which runs parallel to the river bank. The restaurant, Chung Ryo Kwan, or Clear Water, is a watering hole for Koreans from both sides of the demilitarized zone that has divided the Korean Peninsula since the end of the Korean War in July 1953.

They do not, however, talk to each other, at least in public. "North Koreans disappear from here," said a Chinese-Korean over a dish of hot dog meat soup, a specialty. "You never see them again. Maybe they got too close to South Koreans. They did something wrong. They return to North Korea, and that's the end."

South Koreans do not fear that kind of retribution but are also careful about talking to

'No pictures,' insisted a clerk in a shop selling North Korean art in Dandong, China. This city of a million people has prospered by catering to privileged North Koreans, who come here to make business deals and buy basic goods that are unavailable at home.

strangers. "They say there are 100 North Korean spies around here all the time," said a South Korean after getting off the twice-weekly ferry boat from the South Korean port of Incheon. "Our own National Security Planning Agency has people on every boat from the South. Nobody knows who is listening."

In the Hong Kong Coffee Shop, run by a woman from South Korea who spent many years in Hong Kong, local businessmen sometimes meet their North Korean contacts. In the back of the shop, South Korea's Korean Broadcasting System, received by cable, is on constantly.

"The North Koreans don't pay attention to the television," a waitress from North Korea said. "Or they say it's terrible, but there is nothing they can do. They are only guests here."

ALTHOUGH China and North Korea are both Communist countries, Dandong has grown so rapidly as a capitalist center that it is easy to forget the city's vital role in the Korean War.

Thousands of Chinese "volunteers" poured across the Yalu in the autumn of 1950 to fight American troops who had punched north to the banks of the river against the North Koreans in the first months of the Korean War.

American planes bombed out three spans of a second bridge across the river on Nov. 14, 1950, but could never destroy the steel structure of the main bridge. In the park near the bridge, old women sell books of North Korean stamps and Kim Il Sung pins for many times their cost in North Korea.

"Anyone may buy them," said one of the women, a local Chinese-Korean. "South Koreans like to take them back home as souvenirs."

African Unrest Blocks U.S. Initiatives

But Officials, Assessing Progress Since Clinton Trip, Expect Long-Term Gains

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Nearly nine months after President Bill Clinton proclaimed a new era in U.S.-African relations during an ambitious visit to the continent, war and unrest in Africa and diplomatic miscalculation in Washington have undermined many of the administration's strategic objectives.

Several aid and technology programs announced during the trip are mostly funded and in progress. But Congress killed the proposed Africa Trade and Investment Act, the centerpiece of the administration's effort to expand economic ties. And the eruption of hostilities in the Democratic Republic of the Congo and other countries has discouraged investment, diverted political energy and neutralized African leaders the administration had counted as important allies, senior officials said.

"We are methodically implementing the president's initiative, but we are also dealing with reality," said Susan Rice, assistant secretary of state for African affairs. She and other officials said the administration remained committed to what Mr. Clinton called "a new Africa whose political and economic accomplishments grow more impressive each month." But fulfilling the president's vision will be more difficult and take longer than they expected.

The most recent casualty was a cabinet-level forum on economic cooperation that was to have taken place in Washington last week. After inviting 17 countries identified as economic reformers, the administration was forced to postpone the event when African officials objected to the limited guest list

and what they saw as the high-handed way the invitations were extended.

During his 11-day, six-nation trip in late March, the most extensive African visit by any U.S. president, Mr. Clinton praised "the beginning of a new African Renaissance," represented by political stability, spreading democracy and economic growth. Since his return, however, the news from Africa mostly has been discouraging.

A rebellion in Congo has drawn in the armed forces of nine countries and, by Washington's count, five other military groups. Ethiopia and Eritrea, neighbors in the Horn of Africa whose leaders had been embraced by the Clinton administration as enlightened allies, have gone to the brink of war in a border dispute. Terrorist bombings at the U.S. embassies in Tanzania and Kenya forced the State Department and African governments to divert resources into security. Civil war has resumed in Angola. And rebellion and violence have swept across Sierra Leone, Guinea-Bissau and Lesotho.

Only in Nigeria, where the sudden death of the dictator Sani Abacha appears to have cleared the way for a transition to civilian rule next year, has there been a sharp change for the better, U.S. officials and independent analysts said.

Nevertheless, senior officials said the administration remained committed to the long-term goals of a closer relationship with a modernizing Africa.

"Stuff happens," a senior official said. "But we need to keep our eyes on the long-term prize. In no part of the world that I'm aware of do we try to measure our interests or our success in two- or three- or six-month time frames." He added, "People want to

measure our success or failure in ridiculous time frames."

"We've always had a sense of just how challenging Africa is," another high-ranking official said. "From the time of Nelson Mandela's inauguration until Ethiopia and Eritrea went at it last May, it was an unprecedented era of achievement, but I don't think we lost sight of the fragility of the institutions and the fragility of the environment."

Prominent Africans said Mr. Clinton's trip had a beneficial impact on the continent, despite the recent setbacks. President Joaquim Chissano of Mozambique, for example, said, "It brought the perception to Americans that everything in Africa is not bad, that there are opportunities, that Africa is not just South Africa and Nigeria."

According to a list provided by the White House, initiatives announced during the trip on education, health and the promotion of democratic institutions mostly were approved by Congress and are being implemented. These include technical assistance and a loan of \$67 million to rebuild the electrical power system in Ghana; \$30 million in debt relief; a \$61 million "food security initiative"; a \$1 million grant for a malaria research institute; money to provide business internships with American companies for young Africans; and \$120 million for education programs. The administration also has launched a "Safe Skies" campaign to lessen the danger of African air travel.

"Those things are not sexy," a senior official said, but everything Mr. Clinton "committed to during the trip is on schedule."

Not so the economic forum. The event was to have showcased 17 countries — slightly more than one-third of sub-Saharan nations — whose economic policies were deemed to meet free-market standards for trade, investment and currency flows.

The list has not been published, but according to sources who have seen it, the circle included the Ivory Coast, Mali, Benin, Ghana, Burkina Faso, Uganda, Tanzania, Mauritius, Malawi, South Africa, Mozambique, Botswana, Namibia, Mauritania, Senegal, Rwanda and Ethiopia.

According to administration officials, diplomats and independent analysts, the conference failed to materialize for several reasons. By waiting to see whether Congress passed the investment act before issuing the invitations, the administration left too little time to secure acceptances and organize the agenda. African ambassadors objected that the invitations were extended through U.S. embassies in Africa rather than through them, embarrassing them at home.

Now the administration plans to run a much more inclusive conference of African leaders to discuss a wide range of issues in the first quarter of next year.

TRAVEL UPDATE

24-Hour Greek Strike Likely to Halt Transit

ATHENS (Reuters) — Greece's biggest union will hold a 24-hour general strike Tuesday against austerity measures aimed at preparing the country for economic and monetary union.

The strike, called by the General Confederation of Greek Workers, is expected to halt public transportation and disrupt state banks, hospitals and other public services.

Louvre Walkout Ends

PARIS (AP) — The Louvre museum will reopen Wednesday after a six-day

strike by employees, officials said Monday. The strike ended Monday, but the museum will observe its regular Tuesday closing, a statement said.

The employees obtained two extra days off a year and an annual bonus increase.

Land of Rising Airfare

TOKYO (Bloomberg) — Japan Airlines Co. and All Nippon Airways Co. said they would raise business and first-class fares on Pacific and European routes because of increased costs.

The airlines each plan 7 percent increases in fares on Pacific routes and 5 percent increases on European routes, effective April 1.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe				North America				Asia			
City	High	Low	Wind	City	High	Low	Wind	City	High	Low	Wind
Amsterdam	50	40	W	Atlanta	65	55	W	Beijing	55	45	W
Berlin	45	35	W	Boston	55	45	W	Bombay	30	20	W
Brussels	45	35	W	Chicago	55	45	W	Calcutta	30	20	W
Copenhagen	45	35	W	Dallas	65	55	W	Chongqing	55	45	W
Dublin	45	35	W	Denver	55	45	W	Hong Kong	25	15	W
Frankfurt	45	35	W	Houston	65	55	W	Kobe	55	45	W
Geneva	45	35	W	Los Angeles	65	55	W	Manila	25	15	W
London	45	35	W	Madrid	65	55	W	Osaka	55	45	W
Lyon	45	35	W	Moscow	45	35	W	Seoul	55	45	W
Paris	45	35	W	New York	65	55	W	Shanghai	55	45	W
Rome	45	35	W	San Francisco	65	55	W	Singapore	25	15	W
Stockholm	45	35	W	Taipei	65	55	W	Tokyo	55	45	W
Vienna	45	35	W	Wuhan	55	45	W				

Rwandan Militia Leader Admits To Genocide and Related Crimes

Reuters

ARUSHA, Tanzania — A Rwandan militia leader pleaded guilty Monday before a UN court to charges of genocide and crimes against humanity for his role in the 1994 massacres of 500,000 or more people.

Omar Serushago, a leader of the notorious Interahamwe militia in Gisenyi in northwest Rwanda, was the second defendant to plead guilty to the International Criminal Tribunal for Rwanda since it was set up in late 1994. A third defendant was convicted.

Hutu extremists linked to Rwanda's former government began the massacres in 1994 in an attempt to exterminate the ethnic Tutsi minority and politically moderate Hutu who opposed the genocide.

Mr. Serushago, 37, pleaded guilty to

one count of genocide and three counts of crimes against humanity related to murder, extermination and torture. A fifth count of crimes against humanity related to rape, to which he pleaded not guilty, was dropped.

The tribunal, which has so far handed down two life sentences for genocide and has drawn up indictments against at least 35 other Rwandans, did not set a date for sentencing.

The prosecution indictment laid out Mr. Serushago's role in the massacres and described one incident in which soldiers abducted about 20 Tutsi who had sought refuge in a house in Gisenyi.

"They took them to a place known as 'Commune Rouge' and executed them," the indictment said. "Omar Serushago personally killed four of the 20 persons."

Puerto Ricans Vote Against Leader's Drive For Statehood

By Mireya Navarro
New York Times Service

SAN JUAN, Puerto Rico — Puerto Ricans have rebuffed for a second time in six years their governor's efforts to win statehood by giving the most votes in a status referendum to a "none of the above" option that many pro-commonwealth voters chose as a protest against the use of that option as a means of splitting the vote.

The vote Sunday effectively maintains the island's commonwealth relationship with the United States.

The five options on the ballot were commonwealth, "free association" (a form of independence that delegates certain powers by treaty to the United States), statehood, independence, and "none of the above." The fifth option won 50.2 percent of the vote, compared with 46.5 for statehood. Independence received 2.5 percent of the vote, and the commonwealth and free association options each received less than 1 percent.

Historically divided over whether to seek a closer association with the United States through statehood or to remain distinctly self-governing as a commonwealth, the electorate this time was split among options that confused some voters and angered many others. The small vote for the option to maintain commonwealth status was evidence of this, reflecting a boycott by the pro-commonwealth Popular Democratic Party, which claimed the definition of that option was misleading. The party had urged its followers to vote for "none of the above."

The referendum drew a turnout of 71.1 percent of registered voters, compared with 73.6 percent in a similar referendum in 1993. Some leaders of the independence movement had urged a boycott of the voting altogether because the options were not defined by their proponents and because the results of the vote would not be binding on the U.S. Congress.

In the 1993 vote, statehood lost to the commonwealth option by 46.2 percent to 48.4 percent, while 4.4 percent supported independence.

On Sunday night, commonwealth leaders, who say the status quo needs enhancements but remains sound, said the vote reaffirmed the wish of Puerto Ricans to continue its existing relationship with the United States a century after the Spanish-American War brought the two together. "This vote means that we have here people who are proud of their history, proud of their relationship with the United States, proud of their American citizenship but, above all, proud of their Puerto Ricanness," Amal Acevedo Villa, president of the Popular Democratic Party, told supporters at a victory rally. "This has been a reaffirmation of the commonwealth."

The loss for the statehood option appeared to be a major setback for efforts by the ruling New Progressive Party to sway Congress into authorizing a future binding vote on the incorporation of Puerto Rico as the 51st state. Governor Pedro Rossello has made the pursuit of statehood for this island of 3.8 million residents his main priority since taking office in 1992, and has counted on the resources of incumbency to promote statehood here and in Washington.

For this referendum, leaders of the statehood movement tried to divide opponents among the other four options.

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THE AMERICAS

Discarding Censure, Livingston Wins - and Loses

By Eric Pianin
Washington Post Service

WASHINGTON — By vowing over the weekend to block a vote on censure on the House floor, Representative Bob Livingston, the incoming speaker, has enhanced prospects that Republicans will hold together to impeach President Bill Clinton but has jeopardized his hopes of achieving new political parity.

Mr. Livingston also has placed himself precisely where aides and close advisers insisted he did not want to be: at center stage of the impeachment controversy. Until now, the Louisiana Republican has watched from the sidelines with an air of studied detachment as the impeachment

drama unfolded, making clear that his fondest hope was to have the business resolved before he succeeded Newt Gingrich of Georgia in January.

Yet by slamming the door on efforts by the White House, Democrats and some moderate Republicans to bring a strongly worded resolution of censure to a vote late this week, Mr. Livingston has made impeachment the first test of his nascent speakership and risked alienating Democrats and moderate Republicans whose support he will need down the road.

With Mr. Livingston on board, House Republican leaders voiced confidence Sunday that the tide was turning against Mr. Clinton on impeachment and that they would prevent a censure resolution

from reaching the floor.

"I feel very confident that the Republican leadership will not want to bring something that's unconstitutional to the floor of the House," the House majority whip, Tom DeLay of Texas, said on NBC.

But if Democrats and moderate Republicans somehow manage to achieve a rules change to allow such a vote, it would be a humiliating repudiation of Mr. Livingston and his top lieutenants — regardless of the outcome.

"This will be the first big test since Livingston effectively became speaker of whether we will hold together our narrow majority," said Vin Weber, a Republican strategist and former House member.

Mr. Livingston has already squandered much of the goodwill he has built up with the Democrats. He had promised a new era of cooperation with the Democrats, after years of divisiveness under Mr. Gingrich, and had counted on some conservative Democratic support for an agenda of Social Security revisions, tax cuts and education initiatives.

But that was before he announced at an impromptu news conference in Louisiana on Saturday, after the completion of the House Judiciary Committee's work, that he strongly supported impeachment and that censure was not envisioned by the framers of the constitution.

"Censure is out of the realm of responsibility of the House of Representatives," he said. "We have a constitutional responsibility to charge or not charge, impeach or not impeach."

In the charged political atmosphere of impeachment, Democrats say that denial of a floor vote on censure would poison relations between the two parties and likely trigger renewed warfare.

The House minority leader, Richard Gephardt of Missouri, said Sunday: "I cannot believe — I don't want to bring myself to believe — that the leadership in the House is not going to allow the members to vote their very deeply held feelings on this very important issue."

The White House chief of staff, John Podesta, also complained that "just three weeks ago Mr. Livingston said people ought to be able to vote the option of their choice." He added, "I think, if we look back, this process has been partisan from the beginning, and it appears that it's going to be partisan at the end."

Mark Cornilio, Mr. Livingston's spokesman, said that the incoming speaker "knows he's in for a difficult ride regardless" of whether he satisfied Democrats and moderate Republicans.

"Democrats want the House back, period. They're not going to play ball unless they have to."

The Judiciary Committee's votes against Mr. Clinton have left the House seriously divided along party lines. Until this past weekend, Mr. Livingston was seen as the only Republican with the standing to broker a compromise with the White House and Democratic leaders over the censure issue.

But since wresting control of the House last month after the Republicans' dismal showing in the elections and Mr. Gingrich's decision to step aside, Mr. Livingston has largely deferred to Mr. DeLay and other conservatives who adamantly oppose giving Democrats and moderate Republicans an alternative to impeachment. Aides and friends stressed that Mr. Livingston was eager to avoid being tainted by an impeachment controversy begun under Mr. Gingrich.

"This is not where he wants to start his speakership," said an associate.

Censure Advocates See Hope in Senate

Procedure Experts Say It Could Act at Any Point to Avoid a Divisive Trial

By Helen Dewar
Washington Post Service

WASHINGTON — With the House seemingly bent on trying to impeach President Bill Clinton, advocates of censure are now turning their attention to the Senate as the more realistic focus of their hopes for a deal to avoid a divisive trial.

While the next speaker, Bob Livingston, Republican of Louisiana, has said he believes the Constitution does not permit a censure vote in the House, some House leaders have suggested that it is something the Senate could consider, possibly as an alternative to a trial on the impeachment charges.

"It is something that really is the Senate's province," Representative Henry Hyde, Republican of Illinois, the chairman of the House Judiciary Committee, said Sunday.

For now, senators are holding their fire. The Republican majority leader, Trent Lott of Mississippi, and the Democrat minority leader, Thomas Daschle of South Dakota, and other leaders have imposed a virtual vow of silence on themselves to avoid the appearance of meddling in House affairs or violating the baths of impartiality that all senators will take as jurors for any impeachment trial.

Only after the House approves one or more articles of impeachment, if it does, will the Senate begin to set up ground rules for a trial, Mr. Lott has said.

But speculation is mounting both on and off Capitol Hill about possible scenarios to censure that Mr. Clinton receives some punishment if, as most lawmakers predict, the Senate were to fall short of the two-thirds majority necessary under the Constitution to remove

a president from office. The Republicans control the chamber, 55 seats to 45.

The most frequently mentioned alternative — touted privately among many Democrats — is for the Senate to take the lead in drafting a censure resolution that could require a presidential signature, meaning that Mr. Clinton would be agreeing with Congress's findings of fault.

It could include a fine or other "censure-plus" sanction, but only if Mr. Clinton agreed, because of a constitutional prohibition against bills of attainder, which are designed to punish a particular individual.

Mr. Lott and others have said that a trial should be conducted if the House votes to impeach. But the Senate could vote by a simple majority at any point — even as the trial starts — to end the proceedings and pursue a different course, such as censure, according to Senate experts on procedure.

The chairman of the Senate Judiciary Committee, Orrin Hatch, Republican of

Utah, has raised another possible scenario: impeachment with a bar on holding future office but not including removal from office. "That's very controversial, but I think there's enough room in the Constitution for something like that," he said. Mr. Hatch agreed with the conventional wisdom that "the Senate probably doesn't have the two-thirds vote to convict the president."

But he emphasized that no one really knew for sure — no nose-counts have been taken. Mr. Hatch added that if he were in Mr. Clinton's position "I would want that vote as soon as I could get it in the Senate and I wouldn't want to drag it out because who knows what might happen during the intervening weeks."

That was a reference to speculation about how long a trial might take — from Mr. Lott's suggestion that it could be done in a few weeks to others' predictions that it could take most of the year and doom chances of passing any major legislation before the paralysis of a presidential election year sets in.

Away From Politics

- An Ohio man whose infant son was killed by an air bag was sentenced to two 12-hour days in jail — on the boy's birthday and the anniversary of the crash — for failing to turn off the device. (AP)
- Environmental officials from nearly a dozen states are pressing the federal government to reduce sulfur in gasoline and to require popular sport utility vehicles to meet more stringent pollution standards. (AP)
- The Baltimore police are hitting the streets in force to prevent the city's homicide rate from hitting 300 for the ninth straight year. The homicide rate stood at 294 on Sunday. (AP)
- An American Indian firefighter in Chicago said co-workers taunted him with slurs of "Geronimo" and mocked him with dances and chants. Because of his complaints, two other firefighters and four supervisors were suspended without pay. (AP)

POLITICAL NOTES



Senator Bob Kerrey of Nebraska announcing that he would not seek the presidency in 2000. His daughter, Lindsey, was with him.

Nebraska's Kerrey Won't Take On Gore

OMAHA, Nebraska — Senator Bob Kerrey, Democrat of Nebraska, has chosen the course of prudence and announced he would run for re-election in 2000, rather than challenge Vice President Gore for the Democratic presidential nomination.

The decision, disclosed here after a weekend of closed-door discussions with supporters from Nebraska and around the nation, disappointed but did not surprise many of the hundreds who had met with Mr. Kerrey.

It removes one potentially serious challenger from Mr. Gore's path to the nomination. But Senator Paul Wellstone of Minnesota and former Senator Bill Bradley of New Jersey have taken preliminary steps toward running, and Senator John Kerry of Massachusetts and the House minority leader, Richard Gephardt of Missouri, are weighing the possibility.

Mr. Kerrey said that the formidable support the vice president enjoyed as the administration candidate for his nomination was "a factor" in his decision "but not the dominant reason."

In a private session on Sunday, however, he told supporters that he thought no sitting vice president who

sought his party's nomination had been rejected, forgetting that Vice President Alben Barkley was blocked at the 1952 Democratic National Convention because of his age. (WP)

For Clintons, a Gala On Key Day in House

WASHINGTON — By Thursday night, after the full House will have conducted hours of presidential impeachment debate, President Bill Clinton may well want to lose himself at a feel-good holiday party.

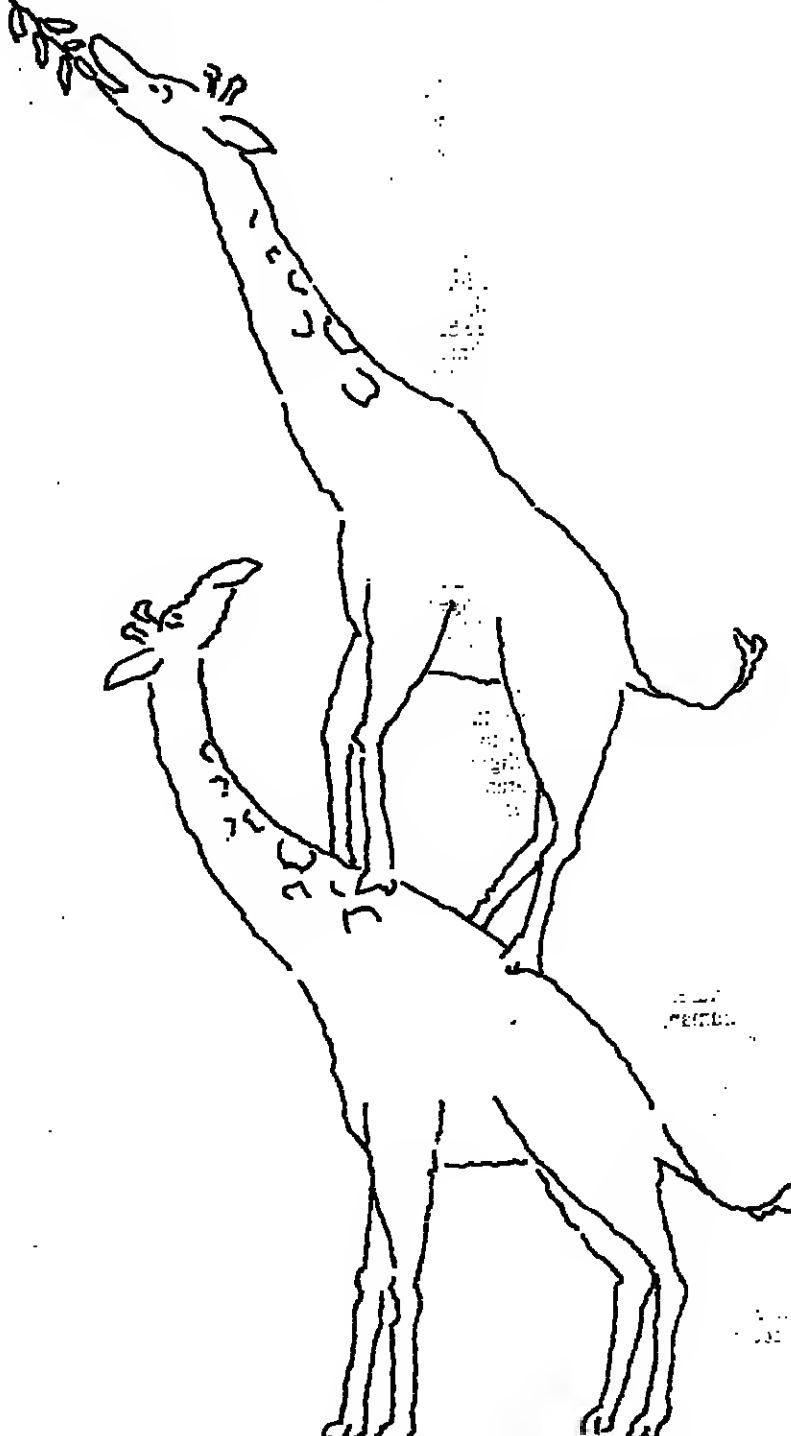
Of course, if he would rather slink off and sulk, too bad, because rank has its responsibilities, and he and Hillary Clinton are scheduled to be hosts of a gala marking the 30th anniversary of the Special Olympics.

Eric Clapton, Mary J. Blige, Sheryl Crow, Joo Ben Jovi, Run-DMC, Tracy Chapman and Vanessa Williams are all scheduled to sing Christmas songs in a giant, heated pavilion on the South Lawn of the White House.

The 90-minute show will be emceed by Whoopi Goldberg and taped for broadcast Sunday night on Turner Network Television. The Special Olympics program, founded in 1968, provides training and sports competition for the mentally retarded around the world. (WP)

TOGETHER WE'LL REACH THE HIGHEST GOALS!

FIND OUT MORE ON DECEMBER 18, 1998.



INTERNATIONAL

By 2000, Republicans Figure, Voters Will Have Forgotten Impeachment

By Richard L. Berke
New York Times Service

WASHINGTON — Prominent Republicans, some of whom complained that their leaders badly mishandled the White House scandal all year long, now say the party's march toward impeachment would cause no lasting political damage.

Republican governors, state party leaders and strategists around the country said in interviews that the stakes were far lower than they were in the fall because there were no looming elections.

Dismissing polls showing that the public overwhelmingly does not want President Bill Clinton impeached, many Republicans argue that Americans have short attention spans and will be utterly uninterested in rehabilitating the impeachment debate when presidential and congressional elections take place in two years.

"If the election were a week from now, this probably wouldn't be a plus for Republicans," said retiring Governor Jim Edgar of Illinois.

"But if you look at the year 2000, I don't believe what happens in the House Judiciary Committee or the House or the Senate is going to have as much impact as the speculation is today."

Such newfound confidence among Republicans — which others in the party warn could be the political version of whistling past the graveyard — is all the more remarkable because most

ascribed their dispiriting election results last month to the party's perceived preoccupation with the scandal. But the lack of greater concern about political fallout helps explain why many of the party's lawmakers have plunged ahead with the inquiry.

Insisting that impeachment would be far from voters' minds by the year 2000, former Senator Alan Simpson, a Wyoming Republican who heads the Institute of Politics at Harvard University, said: "The attention span of Americans is, 'Which movie is coming out next month?' and whether the quarterly report on their stock will change."

Governor Tom Ridge of Pennsylvania, who had chastised congressional Republicans for not pressing other issues during the campaign, is nevertheless skeptical that the scandal would again backfire.

"I hear people predicting a rash of Republican upsets if the Republicans vote for impeachment, that they would lose the majority of the House of Representatives in the year 2000," Mr. Ridge said. "I don't necessarily share that view."

Roger Stone, a Republican strategist who was an adviser to Richard Nixon, said the former president enjoyed respectable job approval ratings "the day they threw him out."

So, Mr. Stone added, "it's a mistake to judge the long-term effects of public opinion in a maelstrom of the storm because they'll shift again over time."

The unexpected calmness of many Republicans is based on their assumption — right or wrong — that if the House were to vote to impeach Mr. Clinton, the Senate would not carry it out and the president would not ultimately be ousted from office.

Several Republicans also argue that Mr. Clinton's sustained high job-approval ratings do not tell the full story. They contend there is little good

"The attention span of Americans is, 'Which movie is coming out next month?' and whether the quarterly report on their stock will change."

will toward the president in either party and that Americans would come to understand that Republicans were only fulfilling their obligation in taking up impeachment.

Yet other Republicans fear that the complacency in the party could be dangerous: They warn that if there was a protracted trial in the Senate, the matter could backfire and Republicans could be portrayed as fixated on destroying Mr. Clinton to the exclusion of the pressing issues facing the nation.

They could also be accused of caving to the party's right wing. A poll last week conducted by The Wall Street Journal found that the Repub-

lican Party had slipped to its lowest level of popularity since the early 1990s.

Former Senator Warren Rudman of New Hampshire, for one, predicted that if Mr. Clinton were impeached and convicted by the Senate, Republicans would lose control of the House and the Senate in 2000.

There are plenty of examples of politicians' or parties' being haunted by actions of years past. For example, shortly after he took office in 1974, President Ford pardoned Mr. Nixon.

Many voters never forgave Mr. Ford, and he lost to Jimmy Carter two years later.

"The fact that they're trying to get it all done before the end of the year is probably a wise move that gives them a couple years to be very engaged in policy issues," said former Representative Mickey Edwards, an Oklahoma Republican who now teaches at Harvard.

But Mr. Edwards warned that there could be enduring political damage if some party leaders persisted with brazen talk of ousting the president and if Republicans "continue to be perceived as very partisan."

Most influential Republicans concede that they do not expect the party to benefit from the inquiry. That is why the Republican National Committee has gone out of its way to keep a low profile and not be identified with the inquiry.

But while several of the Republicans interviewed said they expected that the party would

suffer short-term damage from the inquiry, most expressed confidence that it would not be lasting.

Ed Gillespie, a strategist who is close to several leading House Republicans, offered this assessment: "We're better off as a party with the short-term damage that will result from moving forward out of principle than with the long-term damage that would result from quitting out of political calculation. When we have a front-runner and a standard-bearer, the party will be cast in that person's image, not in the Judiciary Committee's image."

Several other Republicans agreed that they could now risk looking even worse if they did not act, and would particularly alienate the party's conservative base. Speaking with a sense of resignation, some Republicans said they had come to believe that if anything, the party would be viewed as failing to fulfill its obligations if it did not pursue the impeachment inquiry.

"Unlike in the Watergate years, the principle of honesty and integrity in government is a very Republican issue," said John McLaughlin, a Republican pollster. "If they surrender it, they're surrendering an important principle that will discourage their base of support."

Henry McMaster, chairman of the Republican Party in South Carolina, was particularly blunt, saying: "Any Republican who doesn't vote for impeachment is going to have a lot of explaining to do. There would be a serious backlash."

For Moderate Republicans, Pressure Is On

By Howard Kurtz
Washington Post Service

WASHINGTON — Representative W.J. (Billy) Tauzin of Louisiana may have spoken for many Republican moderates when he said, "We're as conflicted as America is."

Perhaps two dozen undecided Republican lawmakers hold the key to whether the House will impeach President Bill Clinton this week. Speaking Sunday, several of them wrestled with what it would take for them to break with their party on impeachment — and the news was not encouraging for the White House.

The message expressed most often is that Mr. Clinton would have to admit that he lied under oath — precisely what the president denied in a news conference in Israel.

Representative Scott Klug, Republican of Wisconsin, said such an admission would influence his vote.

"If the president's trying to throw himself on the mercy of the court, as you would in any kind of criminal proceeding, you have to admit your guilt," Mr. Klug said on NBC, "in this case, criminal wrongdoing."

He added, "The president has very little credibility left with you, know, the 59,000th confession this week."

Mr. Clinton "needs to help us, give us a reason why we can maintain the concept that every American, even the president, is responsible to the law," Representative Brian Bilbray, Republican of California, said.

Mr. Bilbray added that Mr. Clinton "needs to be telling the truth."

Representative Robert Ney, Republican of Ohio, said that "the president hurt himself very clearly" by denying that he committed perjury in the Monica Lewinsky investigation.

"I think the president could have been honest today," Mr. Ney said, and "I think it would have helped me. At this point in time if he does it, it's too late."

In a telephone interview, Representative James Greenwood, Republican of Pennsylvania, also expressed dissatisfaction with Mr. Clinton's latest statement.

"When I heard him say that today, I turned to my wife and said, 'That's it,' Mr. Greenwood recalled. "If he had any chance of escaping this thing, he may have really damaged himself with that. Members are going to say to themselves, 'If this guy cannot say he chopped down the cherry tree, he has to be punished.'"

At the same time, Mr. Greenwood said, "We are all tortured with the responsibility to clean this all up," he added. "It is an agony."

Personal factors come into play as both sides lobby the moderates. Representative Jay Dickey, Republican of Arkansas, is upset with what he called "a threat from the White House." He told ABC that an unidentified White House official was quoted by the Arkansas Democrat-Gazette as saying, "If Jay Dickey votes to impeach the president, it's probably an indication he will not run for re-election in 2000. It's suicide. We will make sure it is."

But Mr. Dickey also said he was getting "threats on both sides" from his constituents.



Amid welcoming flags, a young Palestinian peered out to see if Mr. Clinton was heading her way in Gaza.

GAZA: Clinton Pays a Visit

Continued from Page 1

ating another window for our people toward freedom, peace and prosperity," Mr. Arafat said.

"This is a window, a window for the peace of the brave, peace with our neighbors," Mr. Arafat said.

Mr. Clinton applauded Mr. Arafat for showing the "strength, courage and wisdom" to make peace with Israel. Despite Mr. Clinton's glowing words and hopeful tone, the Wye River accords have been unraveling in recent weeks, and the West Bank has been swept by the worst violence in months.

"The way ahead may be hard and uncertain, but the way you left behind is full of self-defeating violence and soul-withering hate," President Clinton said. "So we have no choice but the way ahead."

On his arrival in the Gaza Strip, Mr. Clinton alighted from his helicopter at the new Gaza airport to a red-carpet greeting and handshakes from Mr. Arafat and other Palestinians.

As a Palestinian band played, the president and his wife, Hillary Rodham Clinton, smiled broadly in the bright sunshine. A U.S. flag covered the entire length of the control tower, and smaller American and Palestinian flags fluttered from many lampposts and surrounding buildings.

From atop a platform in front of the passenger terminal, Mr. Clinton cut a wide red ribbon with the words — in English and Arabic — "Gaza International Airport," to mark the opening of the airport.

At Mr. Arafat's urging, he cut several strips from the ribbon as souvenirs, then mingled briefly with onlookers.

Hundreds of schoolchildren lined Gaza's main north-south road from the airport.

They held American and Palestinian flags and signs in Arabic and English



But in a protest against the vote Monday to soften the Palestinian charter, refugees at a camp in Lebanon burned the American and Israeli flags.

reading "Settlements Kill Peace," and "Bill Clinton, Welcome to Palestine."

Secretary of State Madeleine Albright called the airport dedication "a very important sign of progress here in the peace process." Asked if the Palestinian-controlled land was now a state, Mrs. Albright replied, "We're doing this one step at a time," adding that statehood was an issue for later.

For Israel, the main dividend of the day was the Palestinians' confirmation that clauses in its 1964 charter proposing the destruction of the Jewish state are nullified.

But a planned meeting of Mr. Clinton, Mr. Arafat and Mr. Netanyahu was delayed from late Monday to Tuesday morning, Palestinian and Israeli officials

said. Israeli television said that Mr. Netanyahu sought the delay because he was not ready to discuss the issue of the release of Palestinian prisoners held in Israeli jails.

Mr. Arafat deplored in his speech the continued detention of Palestinian prisoners in Israel.

"We want our sons to return to their homes," he said.

Mr. Netanyahu, whose political survival has been put at risk by hard-line opposition in his coalition to the Wye accord, has halted the handover of more West Bank land to the Palestinians. He has charged that they have incited violence and demanded that Mr. Arafat abandon his plans to proclaim an independent state. (AP, Reuters, AFP)

CLINTON: Ready for a 'Reasonable' Deal

Continued from Page 1

votes needed to impeach. In recent days, voters have inundated their congressmen with frantic calls — either to impeach or not. Some members of Congress said they were receiving their heaviest flow of mail, faxes and e-mail in years.

A spokesman for Representative Sue Kelly of New York, whose 19th district is a mostly affluent area in the Hudson River highlands with a mixed political tradition, said the flow had been the heaviest since the Anita Hill hearings on the Supreme Court nomination of Clarence Thomas in 1991. Over the week-end, the office received 500 pages of faxes and 8,000 e-mail messages. They were running "50-50" on impeachment, the spokesman said.

These mountains of mail will await congressmen when they return to Washington on Tuesday or Wednesday, first for party caucuses, then for the decisive session Thursday.

So far, scattered anecdotal signs indicate the administration has done a poor job of reaching out to the undecided Republicans. Many of them expressed bitter disappointment over Mr. Clinton's comments Friday outside the White House and Sunday in Israel, particularly his outspoken refusal to say he had perjured himself. He has admitted giving misleading statements about his relationship with Ms. Lewinsky, who had been an intern in the White House, but denies that his answers met the legal test for perjury.

Representative Christopher Shays, Republican of Connecticut, has said that he opposes impeachment, and he reiterated that stance Monday. He said, however, "I don't have the same level of conviction I had a week ago," and added, "I'm willing to reconsider this issue."

A New Jersey Republican, Representative Frank Lofgren, issued a statement saying he would support impeachment. Democrats had considered him a potential defector from the Republican ranks.

Some Clinton supporters and other onlookers have expressed puzzlement at the way the president, each time he speaks out on the matter supposedly to placate his critics, seems instead to anger them by his lack of candor or contrition.

Yet he remains on a perilously shaky legal tightrope. The conservative Washington Times reported Monday that the office of the independent counsel, Kenneth Starr, had not ruled out bringing new criminal indictments against Mr. Clinton once he leaves office. Sources told the newspaper that Mr. Clinton was tentatively targeted on as many as 15 felony counts of perjury, obstruction of justice and witness-tampering.

Thus, any admission Mr. Clinton publicly makes might ease his impeachment threat, but only at the cost of a heightened legal risk later.

The messages Clinton defenders are taking to the people are these: that the process has been unfair and is destructive and divisive; that it could shake confidence on financial markets; and that a Senate trial could last for months, impeding both the legislative and judicial processes, since the chief justice of the United States would preside.

They say it would encourage future Congresses to turn too readily to impeachment to censure unpopular presidents; and they argue that, in the end, a wounded Clinton is almost certain to survive a trial in the Senate, where a two-thirds majority is needed to convict.

While a majority of Americans still oppose impeachment, 58 percent now believe Mr. Clinton should resign if impeached, according to a new ABC poll.

Secret Service Foiled On Arafat Search

Agence France-Press

GAZA CITY — A shouting match erupted Monday between U.S. Secret Service agents and Palestinian policemen when the American tried to search Yasser Arafat's official car before President Bill Clinton's arrival at the Gaza airport, witnesses said.

The Palestinian leader was not in the limousine, but the Palestinian police rejected the attempt by the Secret Service agents to search the car and Mr. Arafat's driver when it entered the airport area.

The Secret Service relented, and the car entered the area without hindrance.

Mr. Arafat flew by helicopter from his Gaza City office to the airport, where Mr. Clinton arrived by helicopter from Jerusalem on the first visit by an American president to the Palestinian territories.

Security at the airport was intense, with hundreds of Palestinian policemen on guard and scores of Secret Service agents deployed inside.

THAILAND: A Watershed Sale

Continued from Page 1

that was never colonized, is now being sold cheap to Western bankers.

Led by a group of wealthy senators, opponents of IMF reforms have already delayed passage of foreclosure and bankruptcy laws intended to punish delinquent debtors by allowing banks to repossess collateral.

The laws, which the government attempted to pass earlier this year, would have significantly increased bidding prices at Tuesday's auction of unpaid business loans, analysts said.

The 13,192 loans have a face value of 371 billion baht, but analysts expect they will sell for at least 60 percent less, with as many as half not selling at all.

The 15 potential bidders each paid 500,000 baht to examine the loan documents. Brought together from the 56 defunct finance companies, the business loans to be sold Tuesday have been subdivided into 42 lots, each grouping an industry or type of collateral, such as loans to hotels or steel companies.

As a concession to complaints that the auction favors wealthy foreign institutions, bidders can commit up to four times their capital funds by signing up for several lots in order of preference. The deadline for submitting an envelope of bids is 1 P.M. Tuesday and results will be announced within 24 hours.

Unsold lots will be auctioned in a second round, in which the government's Asset Management Corp. will participate.

There is no minimum price, but low bids will be rejected if authorities deem them "artificially low," according to Amaret Sila-On, chairman of the Financial Sector Restructuring Authority.

No matter how little money the auction raises, however, knowledge of the prices will automatically push forward the next stage of Thailand's recovery, according to David Fernandez, a Singapore-based regional economist for J.P. Morgan.

The amount paid for the loans will allow banks to estimate the necessary level of provisions for bad loans and help break the ice with corporate restructuring as the new creditors start talking to the companies that owe money, he said.

"Once the process gets under way, I think we could see a rapid acceleration in bank recapitalization and corporate restructuring," Mr. Fernandez said.

Mr. Walker of Credit Lyonnais, who was severely criticized by Thai authorities last year when he correctly predicted the fall of the baht months before it occurred, said early signs showed the Thai economy had hit a pretty solid bottom.

"On a yearly basis, the 'headline' numbers are still way out of the ballpark," he said, referring to the plunge in sales of cars by 72 percent and motorcycles by 52 percent this year through October.

By examining shorter periods and making seasonal adjustments, Mr. Walker reckons Thailand's economy bottomed out last March. "If you wait for headline figures to change, you've already missed the recovery," he said.

AMERICAN TOPICS

Where Deer Should Fear to Tread

Each year at this time, the number of deer killed on U.S. highways reaches a peak. This year has been especially bad, and it seems destined to get worse.

In Montgomery County, Maryland, road crews removed 759 carcasses from county-managed roads in the most recent 12-month period, up sharply from 436 two years ago, reports The Washington Post. The walk-in freezer used by county officials to store carcasses temporarily is no longer big enough; even the county police captain has had to clear dead deer from the road.

There are several reasons for the killings. Restrictions on hunting and a lack of natural predators have sent deer populations booming. In Fairfax

County, Virginia, for example, the number of deer is estimated to have nearly doubled since last year, to 46,500. Meanwhile, suburban sprawl has reduced deer habitats, forcing animals to forage in gardens, on golf courses and along increasingly busy roads.

The October-to-December period is the time when males and females are searching for mates, making them more likely to cross streets and highways.

Some state and local governments say they are overwhelmed by the job of deer removal. No one seems to like the work. Thomas Greenbank runs the "deer house" in Howard County, Maryland. He says he used to like venison; now he avoids it.

Short Takes

Meantime, in eastern Arizona, federal officials are trying to protect a rarer species, the Mexican gray wolf, from human enemies. Four of the animals were reintroduced recently to the mountains there. The wolves, under pressure from ranchers and hunters, were driven to near-extinction in the 1970s. Only 187 remain, and all but

the four released Friday are in captivity. The fate of the four is uncertain, though: Eleven wolves were released into the wild last spring. Five were found shot to death, one is missing and presumed dead and three others had to be recaptured.

Funeral homes are beginning to collect DNA samples from the dead to preserve a genetic record that could provide medical information. Experts are divided on the usefulness of the data, but the practice is expected to spread to many of the 21,000 U.S. funeral homes. The service costs around \$350. A funeral home employee takes a hair, blood and saliva sample from the dead person, packages it in sterile kits and sends it to a laboratory where a molecular biologist extracts the DNA. A confidential genetic fingerprint is mailed to the family, and the lab stores the DNA samples, which are made available only to next-of-kin.

The idea is that it could provide useful, for example, if a family wants to determine whether a hereditary disease runs in the family. Eric Juengst,

a biomedical ethicist in Cleveland, told The Associated Press that modern testing allows hereditary disposition to disease to be determined by testing a single individual. He also notes that DNA samples also could be used to determine paternity, which might reveal unwanted surprises.

In New York City, two sidewalk Santas have been arrested in a sting operation, accused of claiming to be collecting for charity organization when they were really pocketing the cash. One got into a scuffle with "a good Santa" near Rockefeller Center, said a deputy police inspector, Robert Martin. The "bad Santa" got away, and that prompted Mr. Martin to start the sting operation. The only official Santa permitted to work on New York sidewalks belong to a group called Volunteers of America: They can easily be spotted by the extra touches on their traditional red suits and hats: white belts, and big green buttons with the organization's name.

Brian Knowlton

سكوا من الأصل

ASIA/PACIFIC

BRIEFLY

**'No' From ASEAN
On Cambodia Bid**

HANOI — Leaders of the Association of South East Asian Nations decided Monday not to admit Cambodia as their 10th member in time for this week's annual meeting here. But they tried to allow the Cambodian prime minister, Hun Sen, to save face by saying his country will be admitted in the future and by telling their foreign ministers to arrange an admission ceremony at an unspecified date.

While all ASEAN members have said Cambodia eventually will be admitted into the regional grouping, at least three countries were hesitant to act now. They said the organization needed more time to fully establish the credibility of a newly installed coalition government.

Mr. Hun Sen, who had hoped admission would add further legitimacy to his government, sounded resigned to again being relegated to observer status for this year's summit meeting, but was upbeat about coming meetings. (AP)

**2 Southern Soldiers
Flee North Korea**

SEOUL — Two South Koreans, listed as killed in action during the Korean War, have escaped from North Korea after at least 45 years in captivity, Seoul's top intelligence agency said Monday.

The two, Kim Bok Ki, 67, and Park Dong Il, 71, recently returned to South Korea via a third country, a statement by South Korea's Agency for National Security Planning said. After their capture during the war, the men had been forced into slave labor at coal mines in the North before escaping, the statement said. (Reuters)

**Quota for Women
Upsets India MPs**

NEW DELHI — The Indian government put a bill before Parliament on Monday that would amend the constitution to set aside a third of the chamber's seats for women.

But the speaker, G. M. C. Balayogi, had to temporarily adjourn the body twice because parties representing low-caste Indians opposed to the bill were so vocal. The bill is seen as likely to pass. (AP)

By Stephanie Strom
New York Times Service

TOKYO — What has happened to Japan's Democratic Party?

Just two months ago, the country's largest opposition party and its dynamic leader, Naoto Kan, were ascendant.

Voters handed them the ability to control the upper house of Parliament in June, and they united with other parties to thwart the governing party on several fronts.

Now, though, Mr. Kan and his party members have been flattened by scandals, dithering and internal dissension. Some opposition partners have abandoned them and made deals with the governing Liberal Democratic Party.

And last month, Ichiro Ozawa and his Liberal Party turned from friend to foe, signing a tentative agreement to form a coalition with the governing party that will greatly frustrate the Democratic Party's ability to hold legislation hostage to its demands, its most potent weapon.

"Popular support for the Democratic Party is on the decline — they have no clear strategy and there's the whiff of scandal about them," said Takeshi Sasaki, a political science professor at Tokyo University.

Even Yukio Hatoyama, Mr. Kan's deputy, is feeling glum. "We pushed too hard right after the election," he said in an interview. "There are a lot of things for which we owe *hansai*." The word, *hansai*, can mean reflection, contrition or self-examination.

Mr. Hatoyama blamed his party for stealing too much of the thunder when the opposition successfully forced Democratic Party plans for fixing the banking system into law in September, the first time legislation has been crafted by legislators rather than bureaucrats. He said the party should have shared credit with its partners.

"We pushed the Liberal Party from us toward the LDP," Mr. Hatoyama said. "We rejoiced too much when we were successful in getting the banking

law passed." Contrite as he may be, Mr. Hatoyama is confident that if a general election were called today, his party would score big.

He calculates that the Democrats would win 170 seats in the 500-seat lower house, an estimate the governing party does not dispute, and Komeito, the second-largest opposition group, would probably win 50. That is not enough to secure a majority, but it would probably rob the governing party of its grip on the lower house.

But the Democratic Party has so far fielded candidates for fewer than half the seats that Mr. Hatoyama expects to win, and general elections must be held by October 2000, although most expect them next year.

Moreover, the party's most prominent representative, Mr. Kan, is mired in a sex scandal that threatens to shake his bedrock support among women. He began his political career by managing the parliamentary campaign of one of Japan's leading feminists.

But a conservative weekly magazine has asserted that Mr. Kan spent the night in a hotel room with a former television anchor, a woman 20 years his junior who has been a consultant to the Democratic Party.

Mr. Kan denied the story, but in an extensive interview published recently, he conceded that his actions could have been misconstrued.

The scandal is being blamed for a significant drop in the Democrats' popularity. A recent poll taken by the Kyodo News Service showed support for Mr. Kan's party at 16.8 percent of the 1,911 respondents, a drop of 6 percentage points since September. The governing party gained the favor of those the Democrats lost, with its support level rising 6.1 percentage points, to 32.5 percent.

The sex scandal followed news reports asserting that Mr. Kan had accepted a \$4.2 million payoff from Hiroshi Nonaka, the powerful chief cabinet secretary and a senior member of the

governing party, to guarantee the passage of legislation to overhaul the banking system.

Mr. Kan has also denied that both scandals were cooked up by Liberal Democrats frightened by the prospect of an opposition party with real teeth. Traditionally, Japanese opposition parties have been little more than opposition voices, offering little in the way of alternative policies.

But the Democrats do offer distinctly different views on national security, electoral reform and fiscal policy, giving voters a clear choice.

Many suspect that there are divisions within the party about how vigorously those policies should be pursued. Mr. Kan was reportedly angry with Mr. Hatoyama for refusing to yield on banking reform, arguing that the hard-line stance would give the governing party the opportunity to blame the Democrats for holding up legislation while the world was pressing Japan to move quickly. (AP)

Burma's Shan Rebels Wrestle With the Trappings of Peace

By Thomas Crampton
International Herald Tribune

OMMU, Burma — To hear the leaders of the Shan State Army tell it, the nine-year truce in their fight against Burma's central government has done little to demoralize, disarm or disarm their rebellion.

Instead, like 15 other insurgent armies in Burma over the last decade, the guerrilla soldiers have maintained their demands for political autonomy while being thrust into tight economic relations with Rangoon that benefit both sides, even if there is an occasional whiff of opium in the deals.

Gangs of gun-toting teenagers patrol the perimeter fences outside the army's heavily defended 3d Brigade headquarters, and bodyguards protect commanders against bombs, bullets, poison or mysterious disappearance.

But the verbal agreement that began their uneasy cease-fire has allowed the Shan State Army to leave behind some aspects of the nomadic, guerrilla lifestyle. Youthful soldiers attend school; their families cultivate crops, and the army leadership has established a business office in Rangoon.

Along with these comforts of peace, however, this year the soldiers discovered an insidious new adversary that decades of jungle combat did not prepare them to fight: Mortgage payments.

"We spent all the money we bor-

rowed building a sugar factory and have none left to pay for cane to crush from the December harvest," said Sao Hso Hten, the army's chairman. "The interest payments are really becoming a headache, and I don't know what we are going to do."

"We hope a capitalist will come in to help us. Perhaps you can tell some people," he told a recent visitor, offering to lead a tour of the freshly painted facility.

A recent low-interest government loan of 57 million kyat (\$160,000) is the kind of deal that Rangoon officials say nurtures fragile peace accords by helping develop some of Southeast Asia's most rugged and remote regions.

Converting jungle warriors into legitimate businessmen is the only way for the nation's puzzle of 135 ethnic groups to exist in peace, the government says.

The Shan State Army receives monthly payments of 320,000 kyat from the central government as well as concessions to cut teak, mine gemstones and tax vehicles — including opium convoys — that transit their territory.

This same sort of economic cooperation, however, has also raised accusations that Burma is narco-state, since a small set of the insurgent groups collectively supply the majority of the world's illicit opium.

Most controversially, the government now has troops stationed in some

opium growing regions and effectively promotes money laundering by encouraging self-declared drug warlords to invest in toll roads, bus lines and banks.

"There is a fine line between maintaining peace and encouraging development, which everyone wants, and allowing narcotics traffickers to conduct criminal activities and spend the proceeds with impunity," said a Rangoon-based diplomat. "While Burma's government has made efforts to fight drugs, they will cross that line every time to stay in power."

The Shan State Army leaders insist that they earn nothing from opium cultivation and that government money cannot buy their allegiance.

"We will not be traitors to the thousands of our comrades who fell in our 40-year fight," said Sao Hso Hten, pointing to the dead warriors whose photographs line the wooden wall of the 3d Brigade headquarters. "The chauvinistic ways of the Burmese mean they will try to wipe us out like the ethnic cleansing in Bosnia. We will use this peace to make our army stronger than ever before to fight for autonomy."

Burma's 50-year civil war, which at times restricted the national government to little more than the capital and its prized seaport, still rages nearby, with government troops battling a breakaway faction from the army of the retired opium warlord Khun Sa.

"The Burmese Army forces people to

resettle in strategic villages and then shoots on sight anyone who remains in the no-man's-land," said Sao Hso Hten.

According to the Thailand-based Shan Human Rights Foundation, more than 300,000 villagers have been displaced in the last two years by this tactic.

"It hurts us to see fellow Shans treated in such a way," said Sao Hso Hten, shortly before clapping with pleasure while relating a story about 10 ethnic Burmese civilians killed in late October by Shan guerrillas. "We are at war and such things as these cannot be avoided."

The war is not always against the Burmese, he added, pointing out that more members of the army's ruling committee were killed by rival insurgents than by the central government.

"When the government turned to fight other groups, we used to have celebrations," said Sao Hso Hten, referring to the dozens of insurgent groups and factions across Burma. "We have even fought the other groups ourselves to expand our area of control to collect taxes."

This splintering of insurgent groups presents a threat to noncombatants living on the Shan plateau.

"Insurgent leaders will make peace to get rich and come out of the jungle," said Richard Dickens, Burma representative for the United Nations Drug Control Program. "But if they don't spread



Shan State Army rebels guarding a brigade headquarters in Om Maw.

around the wealth enough, the lower ranks will lead bands of disillusioned 14-year-old boys into highway robbery or freelance opium refining.

He added, "This reduces the insurgents to an annoyance for the government, not a threat to national stability, but it stops development and leaves the narcotics dependence in place." (AP)

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INTERNATIONAL

Prosecution Drops a Mattress Into Anwar's Trial

KUALA LUMPUR — The prosecution in the trial of former Deputy Prime Minister Anwar Ibrahim said Monday that it would produce as evidence a mattress believed to be stained with semen.

A senior police officer, Musa Hassan, told the High Court that the mattress and pillow had been taken from a suburban apartment where the author of a book said Mr. Anwar took the wife of his former private secretary for sex.

Mr. Anwar has pleaded not guilty to five counts each of corruption and sodomy in the trial, which figures at

the core of Malaysia's civil unrest.

Mr. Musa, deputy director of the Criminal Investigations Department of the federal police, said that the mattress and pillow had been seized from the 'Tivoli' Villa apartment complex in the posh Bangsar suburb of the capital.

"On the mattress I found several patches believed to be seminal fluid," he said, adding that government experts were conducting tests on the mattress to determine if the semen was Mr. Anwar's.

Testifying at the start of the sixth week of the trial, Mr. Musa said that the mattress had been kept locked in a

room near his office for three months before it was sent for DNA analysis. He did not explain the delay.

A prosecution lawyer, Azhar Mohamed, said the mattress would be produced in court on Tuesday.

As Mr. Musa spoke, Mr. Anwar looked down and scribbled notes. His wife, Azizah Ismail, rolled a string of Islamic prayer beads through her fingers, her face impassive. The gallery snickered.

Mr. Musa said that the police had taken blood samples from Mr. Anwar, Mohd Azmin Ali, his former private secretary, Stamsidar Tamrin, Mohd Azmin's wife, and their

toddler Afifah. The author of the book who accused Mr. Anwar of adultery has alleged that Afifah is the daughter of Anwar and Stamsidar. But the police have said Afifah is her parents' natural child.

The prosecution's decision to produce the mattress added another lurid element to a trial dominated by allegations of sexual misconduct by Mr. Anwar, heir-apparent to Prime Minister Mahathir bin Mohamad until he was dismissed in September.

Mr. Anwar has denied the accusations and says he was framed by opponents determined to cut short his political career.



Azizah Ismail, wife of Anwar Ibrahim, leaving court Monday.

BRIEFLY

Congo Rebels Report Downing Of 2 Government Aircraft

KIGALI, Rwanda — Rebel leaders in the Democratic Republic of the Congo said Monday that they had shot down two planes while fending off a government air attack in the east of the country.

They said that government forces bombed the small town of Kabalo, deep inside rebel-held territory, on Sunday but that the attack was beaten back and two planes were downed.

Zimbabwe, which supports President Laurent Kabila in the country's civil war, said earlier Monday that it lost a helicopter gunship in weekend fighting around Kabalo, around 1,200 kilometers (750 miles) southeast of the capital, Kinshasa.

Rebel officials say that government-allied warplanes, mainly from Zimbabwe, are flying daily sorties over territory held by the rebels in the eastern part of the country. The planes have bombed ports along Lake Tanganyika including Moba and Kalemie. (Reuters)

Le Pen Bars the Door to Rival

SAINT-CLOUD, France — The leader of the far-right National Front political party, Jean-Marie Le Pen, locked his rival, Bruno Megret, and other party members out of his headquarters on Monday.

Mr. Le Pen, besieged by calls in his party to resign, was holding a meeting of advisers in this Paris suburb when Mr. Megret, the party's No. 2 leader, arrived with his supporters and a lawyer.

Mr. Megret avoided trying to force his way in "so not to throw oil on the fire," his aides said.

The National Front, which voices anti-immigrant policies, made strong gains in regional elections in the spring and has maintained about 15 percent support nationwide. (AP)

Algerian Prime Minister Quits

ALGIERS — Prime Minister Ahmed Ouyahia of Algeria resigned Monday, a presidential statement said.

Major opposition parties had demanded his dismissal, accusing him of having failed to stop what they call widespread cheating in favor of the main governing party, the National Democratic Rally, in local elections last year.

Foes also held him responsible for the government's failure to end rampant armed violence involving Islamic militants.

The resignation had been widely expected. He was appointed to his post in December 1995. (Reuters)

Grenada to Vote on Jan. 18

ST. GEORGE'S, Grenada — The Caribbean island of Grenada will hold general elections on Jan. 18, Prime Minister Keith Mitchell said Monday.

The tiny island, known for its spices and a U.S. invasion in 1983 that ended Marxist rule, was plunged into crisis last month when Foreign Minister Raphael Fletcher resigned.

His departure left the governing New National Party with a minority of seven seats in the 15-seat Parliament. It was dissolved on Dec. 2. (Reuters)

Iranian Leaders Pledge Crackdown in Killings

TEHRAN — Iran's supreme leader, Ayatollah Sayed Ali Khamenei, and its president, Mohammed Khatami, both vowed Monday to work to halt a wave of deadly attacks against writers and dissidents.

Ayatollah Khamenei, in his first comments on a series of kidnappings and murders of opposition figures, ordered the security forces to arrest those behind the killings.

"The murder of citizens, whoever they might be, is a crime against the country's national security," state television quoted him as having told a group of clerics. "The ministers of intelligence and interior as well as the judiciary must seriously pursue the case."

"There is no doubt that the role of the enemy will be exposed in the recent events," he predicted.

Mr. Khatami, in a statement issued by his office, said, "These horrible crimes have targeted not only our citizens, but also the prestige and authority of the Islamic regime."

Three secular Iranian writers who labored for freedom of expression have disappeared in the last month and were later found dead.

Two of them — Mohammed Mokhtari and Mohammed Jafar Pouryandeh — were confirmed to have been murdered, while the third, Majid Shari'ati, is said to have died in suspicious circumstances.

Last month, a secular nationalist opposition leader, Dariush Forouhar and his wife, Parvaneh, were stabbed to death at their home in Tehran by unidentified intruders.

In their first concerted response to the cases, supporters of President Khatami said it was time for the hard-liners in control of the "power ministries" to end the violence.

"Enough talking, arrest the murderers," said the daily newspaper Zan, published by Faezeh Hashemi, a leading moderate figure and daughter of a former president, Hashemi Rafsanjani.

Two of the victims were summoned in October to a revolutionary court after they tried to revive a banned authors' union, raising fears that their deaths were aimed at silencing dissent.

No one has been charged in any of the deaths. Some observers regard the attacks as an attempt to undermine Mr. Khatami, who was elected in 1997 on promises of moving toward political and cultural openness.

The official news agency said Monday that Mr. Khatami had assigned a special force to the cases. (AFP, Reuters)

BOOKS

OPENED GROUND

Selected Poems, 1966-1996.
By Seamus Heaney. 444 pages. \$25.
Koyra, Sarous & Giroux.
SEAMUS HEANEY
By Helen Vendler. 188 pages. \$22.95.
Harvard University Press.

Reviewed by Michiko Kakutani

PERHAPS the best descriptions of Seamus Heaney's extraordinarily rich and varied oeuvre come from the poet's own work. His verse not only captures the "unsaid off the palpable" but also captures the "music of what happens" both in the domestic sphere and in the larger world beyond.

Eschewing ideology and "the diamond absolutes" of partisanship on both sides in Northern Ireland, Heaney has created a remarkable series of poems that stay "true to the impact of external reality" while at the same time remaining "sensitive to the inner laws of the poet's being."

Happily for the reader, the publication of "Opened Ground," a new selection of Heaney's poems spanning the years 1966 to 1996 and demonstrating the consummate virtuosity of his work, coincides with the publication of a monograph on his verse by the Harvard professor Helen Vendler; the most astute and eloquent critic of poetry at work today.

Vendler's "Seamus Heaney" serves as a wonderfully succinct road map to the poet's verse, illuminating the effect that both private and public events have had on the development of his work, while explicating the continual evolution of his style.

She shows us how he has pushed the boundaries of the traditional lyric poem in his efforts to articulate his vision of the world, even as she helps us to understand his mastery of sound, symbol, imagery and simile. As Heaney pointed out in his 1995 Nobel lecture, his writing "has been 'a journey where each point of arrival' has 'turned out to be a stepping stone rather than a destination.'"

Although the early nature poems in "Death of a Naturalist" (1966), "Door into the Dark" (1969) and "Wintering Out" (1972) radiate a tactile, sensuous apprehension of rural life, an awareness of mortality and danger intrudes in many of these pastoral lyrics, embodied in the images of lice and rats and "a rat-gray fungus" gnawing a basket of berries.

Such images give way gradually to a growing awareness of a wider social world that reaches its culmination in "North" (1975), a deservedly famous volume that Vendler regards as "one of the crucial poetic interventions of the 20th century," ranking with Eliot's "Preludes," Wallace Stevens's "Harmonium" and Frost's "North of Boston" in "its key role in the history of modern poetry."

Violence in Northern Ireland had escalated during the late '60s and early '70s, and "North" reflected the growing mood of despondency with its chilling images of bones and graves and a "skull-capped ground." But the volume's most powerful poems use the archaeological image of "bog people" (bodies of murder and sacrificial victims, killed during the Iron Age and preserved in European peat bogs) as a metaphor for enduring historical violence, a symbol, as Vendler observes, that lends the poems an imaginative scope that transcends the journalistic.

In later poems, the Troubles will often take a back seat to more personal and philosophical concerns, but they remain a lurking presence.

Questions of political commitment hover around Heaney's frequent re-examinations of his own vocation. In the early poem "Digging," the poet compares his pen not to the guns of political activists, but to the spade used by his ancestors to farm their land.

And in the title poem from "Station Island" (1984), a dazzling, Dantesque meditation in 12 parts, the poet is confronted by a series of ghosts who force him to reassess his chosen profession: a murdered cousin accuses him of confusing "evasion and artistic tact," of having "whitewashed ugliness," while

the ghost of James Joyce urges him to remain true to his artistic calling, to "write for the joy of it," to swim out on his own and "fill the element with signposts" of his "own frequency."

Vendler astutely observes that the deaths of Heaney's mother in 1984 and his father in 1986 "caused a tear in the fabric of Heaney's verse," and the poems in "The Haw Lantern" (1987) tend to focus on absences, rather than presences, on virtual, metaphorical and metaphysical questions rather than material realities.

To this reader, the results often feel disembodied and abstract, "the real thing" melting into a vague "republic of conscience." Lines like "High cries were felled and a pure change happened" lack the tactile energy of Heaney's earlier work, while the metaphors in poems like "The Pitchfork" and "The Skylight" feel strangely predictable and trite.

Perhaps such transitional difficulties were necessary for Heaney to move on to the poems in "The Spirit Level" (1996), verse that attests to the poet's re-embrace and reimagining of ordinary life. It is a return, in many respects, to the farm world of his earliest nature poems, but with a notable difference: There is an elegiac music in this verse, a sense of hard-won optimism tempered by a new wisdom and acceptance.

The poem "Keep Going," Vendler observes, is a tribute to the life of the poet's brother, Hugh, who stayed in the North to maintain the family farm, "re-maintaining equable through the horrors of the Troubles, and living in peace with his neighbors."

It leaves us with an image of everyday life surviving the terrors of sectarian politics and murder, and celebrates the virtues of "keeping going." It also leaves us with a renewed appreciation of Heaney's own art, an art, in Heaney's own words, that makes space "for the marvelous as well as for the murderous," an art that commemorates the endurance of the private in the face of history and public grief.

New York Times Service

CHESS

By Robert Byrne

NICK DEFRIMAN won the United States Chess Championship, which was held in Denver from Oct. 30 through Nov. 18. The 41-year-old grandmaster from Denver defeated Joel Benjamin, a 34-year-old Manhattan grandmaster and last year's champion, by 2 1/2-1 1/2 in the final match.

DeFriman played a cool game throughout, achieving an overall score of 5 victories and 10 draws. In the decisive game 1 against Benjamin, his positional pressure bore fruit when Benjamin missed a way to draw and stumbled into the loss of a rook for a knight.

The sponsors — Interplay Productions of Irvine, California; the United States Chess Federation; two local organizers, Richard Buchanan and Craig Wilcox, and the Colorado State Chess Federation — provided the \$72,000 total prize fund.

The anti-Sicilian system with 3 Bc4 and 4 d3 is a quiet mode of play that avoids the heavily traveled paths, but it doesn't do much to elicit mistakes. Benjamin, however, is addicted to byways.

A king's fianchetto beginning with 5...g6 gives Black a better defense of his king than 5...e6. It also prepares a purchase on the e5 square and in the far future a queenside attack with ...b5 and ...b4.

After 7...O-O, attempting to make up for lost time with 8 d4 would not work against 8...cd 9 cd 10 cd Nd5, when the isolated white d4 pawn is assailable.

DeFriman's 8...e5 yielded him a solid central formation. And he had the means to prevent Benjamin from exploiting a slight weakness at d5.

With 12...d5, DeFriman took the upper hand in the center. Benjamin got some simplification with 13 Ng4 Ng4 14 hg, but after 14...Qd7, DeFriman maintained his superior center.

After 22...Qc6, Benjamin should have tried to scare up some activity with 23 a3, intending 24 b4, and if 23...a5, then 24 Qb5.

After 27...Ne5, Benjamin was being pushed into total passivity. He tried to

break out with 28 e4, but after 28...Rd3 29 Ne5 Bc5 30 Qe5, DeFriman struck a clever blow with 30...Nd4! If 31 Rd2, then 31...Rd2 32 Bd2 Qg4! 33 Qf6 Nf3! 34 Qf3 Qf3 35 g5 Rd2 gives Black good winning chances. For example, 36 Re7 a5! 37 b3 Ra2 38 Rb7 Rb2 39 Rb6 a4 40 Rb5 a3 41 Kg2 a2 42 Rb8 Kg7 43 Ra8 f5 will win.

On 32...Qd3, there was only one way to draw — 33 Bb1. Thus, 33...Ne1 34 Bb2 Rd4 35 Bb4 Qd4 36 Qe1 brings about a level ending. But Benjamin blundered with 33 Rf1? and was destroyed by DeFriman's 33...Qf1! 34 Kf1 Rd1 35 Ke2 Re1 36 Kd2 Rc5.

After 37 Kc2 Rc2, Benjamin gave up.



Position after 33 Rf1

CROSSWORD

ACROSS

1 Garden cracker

4 Gather up

10 Mary

11 Cornucopia

13 Last Inert

15 Fairly close view

16 Ecstasy

17 Addition to the family

19 Replayed tennis shot

20 Recruit

21 New Zealand tribesman

23 Hog heaven?

24 Quiescent

25 Rolling Stone

27 Colloquialism for 17-Across

31 Shattered pane

34 Individuals

36 "Blame it on..." (Coling comedy)

38 Game with mallets

39 Religious law

40 "I never by"

42 "Sure thing, skipper!"

43 German car

44 Disconcerted

45 Colloquialism for 17-Across

47 Fool (around)

48 Jerusalem is its cap.

49 Quiz

50 George's last stand

54 Poetness

56 Square dance partner

57 Colloquialism for 17-Across

59 Adam's madam

60 Public persona

62 Ten (long odds)

63 When it's right

64 Behind bars

65 Like many a mistake

66 Unit of frequency

67 Decade firmly

68 Himalayan legend

69 George's predecessor

70 Russo of "Get Shorty"

71 Versatile transport, for short

72 Bingo relative

73 Utopia

74 Sie's sb

75 Kind of boom

76 Aween Dam locale

78 Narrated

79 Bickering

80 Oscar De La Rúa

81 "Roots" writer

82 Doves' mouthfuls

83 Together, in music

84 Author Fleming

85 The same

86 Draw a blank

87 Perignon

88 Worked the soil

89 "Goldfish"

90 Peer-velocity

91 Twelfth trail

92 Tensed, with "up"

93 Not young

94 Volcanic flow

95 Cutting part

96 Get an effort

97 Address

98 Thrum

99 Broken-down

100 Across

DOWN

1 Desires

2 Thumbs up/ thumbs down

3 Brontosaurus

4 Figure skater

5 Marshall Dillon's portrayal

6 Unruly crowds

7 Lawyer's org.

8 Blackdog

9 Thwarts

10 Tense

11 Tense

12 Tense

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Solution to Puzzle of Dec. 14

PAIR SLUD AMZE
ALSO TIME LAMEN
BALL EUT PRUNE
SMALL POTATOES
TOMER AIR EWS
KITTREWOMEN
SHAD DOB PIETA
PC TEFOR BOASNER
ATONE AID EYRE
TINYQUOBBES
BYV PIA BIMDA
MINIATUREGOLF
OPTINE BINO ALL
FAYED ENID VAST
TRAYON SOTS EASE

DOWN

1 Desires

2 Thumbs up/ thumbs down

3 Brontosaurus

4 Figure skater

5 Marshall Dillon's portrayal

6 Unruly crowds

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750 MILLION PEOPLE 41 COUNTRIES 39 LANGUAGES ONE INTERPRETER.

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Clinton's 'Magic Words'

When it comes to duty and self-preservation, there is no question as to what the content of President Bill Clinton's next speech should be.

The question is whether Mr. Clinton will have the strength and wisdom to deliver it in the days before the House of Representatives votes to impeach him. The 20 or so Republican moderates who will decide that vote want to hear the president say that he lied under oath, in those words. But when he spoke Sunday, Mr. Clinton did not come close to saying the magic words. He has time to speak them between now and the House vote on Thursday. We hope that he will, but the odd possibility of the president and his legal team provides little foundation for such a hope.

Mr. Clinton and his advisers have yet to understand that petulance is not a strategy, even when the opposition is behaving with partisan malice and distorting the constitution. Bob Livingston, the designated speaker, pondered for days about whether to lead the House toward a compromise around a censure resolution. But he backed down rather than face his tough-guy whip, Tom DeLay. If a future speaker cannot defy "The Hammer," as Mr. DeLay likes to be known, imagine how hard it is for Republican moderates.

That is why they were on the Sunday television talk shows imploring Mr. Clinton to offer the concession that would provide the political cover for a vote against impeachment. As Rep-

resentative Scott Klug of Wisconsin said on "Meet the Press," there will be no leniency from this political court unless it hears "an admission of guilt from the president."

That admission would not be necessary if the House vote was conducted strictly on constitutional principle. As Lloyd Cutler, a Clinton defender, said on ABC, this president's "low crimes" do not meet the constitutional standard for impeachment. But politics and human nature enter into this matter as well. Mr. Clinton did lie repeatedly, in plain sight, while under oath. In the language of Lawyer World, where Mr. Clinton seems to live, it might be possible to label such behavior as "ambiguous" and get away with it. But in the world of political reality, there has never been a Congress, Democratic or Republican, that would be willing to extend mercy and at the same time sign up as historic endorsers of multiple, bald-faced lies.

By refusing to bargain with the House, Mr. Clinton seems to be heeding that the Senate will not remove him. It could, in fact, impose the kind of censure that Mr. Livingston is refusing to allow the House to consider. But whatever happens in Congress, Mr. Clinton's defiance and his willingness to gamble on a Senate showdown look a lot like the behavior that got him into this mess: irresponsible, self-destructive and dangerously out of place in the Oval Office.

—THE NEW YORK TIMES.

Dissent and Death in Iran

Political murder has returned to Iran, with liberal intellectuals the target and conservative religious forces a possible sponsor.

Several prominent critics of clerical repression have been killed in the last month. The body of the latest victim, Mohammad Jafar Pouyandeh, was identified by his family over the weekend.

Iran's president, Mohammad Khatami, who has condemned the recent killings, is trying to ease the country's isolation by demonstrating that its revolution no longer countenances terrorism. But his efforts will succeed only if he can overcome those who would drag Iran back to the bloodshed and intolerance of the years following its 1979 revolution.

The two latest victims of terror, Mr. Pouyandeh and Mohammad Mokhtari, appear to have been targeted because they tried to revive a writers' union and campaigned against clerical censorship. In October, both were questioned by an Islamic revolutionary court about these efforts.

Earlier killings involved Majid Sharif, a returned exile, and Darfush Forouhar, a veteran secular politician and human rights advocate who was stabbed to death along with his wife, Parvaneh, Mr. Forouhar and his wife had both been stabbed a dozen times

when their bodies were discovered Nov. 21.

Last month a bus carrying American businessmen was attacked by a group that opposes Mr. Khatami's policy of encouraging private ties between Iran and the United States.

Though Mr. Khatami is Iran's top elected leader, he is outanked by the country's conservative spiritual leader, Ayatollah Sayed Ali Khamenei.

Ayatollah Khamenei and his supporters are uncomfortable with Mr. Khatami's efforts to encourage freer political and cultural expression. They have used their power in the courts to close newspapers and harass dissidents. Now some extremists may be going further by using assassination to silence critics.

The Clinton administration has been right to respond positively to Mr. Khatami's cautious diplomatic overtures. But in the face of clerical resistance and Iran's growing economic problems, it is still not clear if Mr. Khatami's moderate domestic and foreign policies will prevail. A return to revolutionary terror in Iran bodes poorly for ending the chill between Tehran and Washington, even though a continued thaw would serve the best interests of both countries.

—THE NEW YORK TIMES.

Unlikely Peace for Kosovo

From some of the self-congratulations circulating among U.S. and European officials, you might assume that the peace deal they brokered in Kosovo is working out. Unfortunately, that is not the case. It was a weak deal to begin with, and now, Slobodan Milosevic, the Serbian strongman, is flouting it.

After unleashing a seven-month war of terror against ethnic Albanians in the province of Kosovo, Mr. Milosevic promised he would let international war crimes investigators look for evidence of atrocities. Now he will not give them visas. He promised a general amnesty for ethnic Albanians whom his troops had rounded up during the fighting. But as the Post's R. Jeffrey Smith documented, many still are being tortured and sentenced to prison on the basis of little or no evidence. As many as 1,500 are in detention, and they are not just prisoners from the summer's fighting; the Serbian police arrest and kidnap civilians even now.

The Yugoslav president promised to allow 2,000 civilian "verifiers" from other countries to monitor the supposed peace in Kosovo, but he continues to delay visas for them and make their work difficult. The force, which the American diplomat Richard Holbrooke said in October needed to be constituted with urgency, still is not up and running. The peace agreement allowed Mr. Milosevic to keep more troops in Kosovo than the United Nations had wanted, but he is violating even that

generous limit. Nor has the shooting stopped. Just last week a Serbian deputy prime minister threatened both the international verifiers and Kosovo itself, warning that Serbian forces might resume their onslaught — "but this time we shall go to the end."

The head of the North Atlantic Treaty Organization, Javier Solana Madariaga, responded that the alliance would not "tolerate" such statements. But so far NATO has tolerated bellicose actions and words alike. Partly as a result, most of the Kosovars displaced by the Serbs' summer bombardment, while they have descended from the mountains and no longer face starvation, still have not returned to their homes. Those who have returned usually have found that their houses have been destroyed, their houses, poisoned their wells and booty. As trapped their farms with explosives. It is hard to see how Mr. Milosevic can continue to claim to rule over a land to which he so thoroughly has laid waste.

U.S. diplomats pursue a political agreement that would give Kosovo a large measure of autonomy inside Mr. Milosevic's Yugoslavia. Their urgency stems from an understanding that full-scale fighting is likely to resume in spring. But Mr. Milosevic's scorn for promises should serve as a warning about the value of any pact he makes. Without NATO ground forces in Kosovo or democratization in Serbia, peace in Kosovo remains unlikely.

—THE WASHINGTON POST.

Taking France's National Front Further to the Right?

By William Pfaff

PARIS — France's extreme-right National Front has exploded because of the ambitions and vanity of its leaders. Bruno Mégret, a younger challenger to the party's founder, Jean-Marie Le Pen, has provoked a split in the movement which guarantees to end the National Front as it now exists.

The party currently receives 12 to 15 percent of the vote in French elections. Mr. Mégret's ambition is to move it into the political mainstream, as the Italian Gianfranco Fini did in his country by purging, refurbishing, renaming and modernizing Italy's far-right movement.

The members of the Italian movement thereby become candidates for coalition with the main Italian conservative parties. Mr. Mégret wants one day to have a part in government, indeed to govern.

Mr. Le Pen ostensibly has wanted the same thing but actually relished the role that he and his party played as political freebooters — saying the unsayable, shocking the respectable, taking pleasure in notoriety and isolation. So long as he leads the National Front, it has no chance of escaping the margins of French political life. It can only be a spoiler.

Mr. Mégret is an educated man, a product of two elite French "grandes écoles" and of the graduate school of the University of California at Berkeley. Politically ambitious, he joined the

National Front to make use of it. He was rapidly promoted as a potential successor to the National Front's founder.

Mr. Mégret soon learned, however, that Mr. Le Pen wanted followers, not successors. He is now in his 70s but displays no willingness to step aside for a new leader.

The crisis began last summer when Mr. Le Pen, whom the courts have temporarily barred from public office because of a violent incident in a 1997 election, revealed that he intended to put his wife at the head of the National Front list in the European Parliament elections due next spring. He refused to allow Mr. Mégret to lead the list, and tried to exclude the latter's sympathizers as well.

The result was that Mr. Mégret, with other ambitious younger men in the movement, organized what Mr. Le Pen has accurately described as a punch.

The party now is split. There undoubtedly will be two rival lists in the European Parliament race, whose outcome will decide whether the aging but pugnacious Mr. Le Pen or the ambitious Mr. Mégret leads France's far right into the future.

The latter would seem a more dangerous threat to the conservative parties than Mr. Le Pen. Until now, the major French parties have refused any

electoral cooperation with the National Front. Mr. Mégret's tactic in recent months of having the National Front vote with mainstream conservatives to block the left in several regional councils has produced some success in breaking that quarantine.

He makes a plausible contrast to the rabble-rousing Jean-Marie Le Pen. One might think him likely to attract mainstream voters who share the National

renunciation taught by Judaism and Christianity, monotheist religions of the "peoples of the desert."

These are not ideas that are likely to win a warm response from mainstream French voters. Even the voter who until now has backed the National Front because it promised a defense against the violence of immigrant ghettos, or out of disgust with the corruption or broken promises of the mainstream parties, is likely to balk at the notion that his struggle is really that of the Aryan warrior against "cosmopolitanism."

Traditionalist Catholics — members of the break-away movement, condemned by Rome, which defends the Latin Mass and thinks the church in the hands of subversives — have been very important to the National Front. Recommendations of a virile paganism will not please them.

The National Front has been a populist movement of social and political protest directed against immigrants and the disruptions produced in France by the social changes of recent decades. Mr. Mégret is attempting to take it over in the interest of ideas which the mass of its members would find strange, and which many would repudiate.

There is a contradiction here which seems likely to undermine whatever Mr. Mégret might do to modernize the movement's style and stance.

International Herald Tribune
Los Angeles Times Syndicate

Bruno Mégret's ideas are unlikely to appeal to the Front's core voters.

Front's preoccupation with African and North African immigrants in France but have been put off by the party's disreputable ways of presenting the issue and by its "skinhead" image.

This is misleading. Mr. Mégret is the product of an intellectual movement which for a number of years has been attempting to re-establish in France a commitment to elitism, eugenics and paganism. This intellectual "new right" is also against the European Union and is profoundly anti-American.

The movement argues that France and Europe suffer from having abandoned the warrior values of the North European "man of the forest" and substituted the ideas of submission and

For an Alabama Newspaper, Clinton Still Must Resign

By Bill Perkins

DOOTHAN, Alabama — Even from our corner of southeast Alabama, about 710 miles (1100 kilometers) from the Washington political scene, we saw the prospect of the impeachment of President Bill Clinton coming.

Two days after the president stood before the American people on Aug. 17 and said on television those three long-awaited words, "I misled people," the six members of the editorial board of The Dothan Eagle gathered around a conference table to discuss what we should say.

If you take away the high-level witnesses and the appearance of the independent counsel, Kenneth Starr, the House

Judiciary Committee's recent journey followed the path we walked months ago.

Instead of partisan bickering, we had reserved differences of opinion. But our members were as resolute in their arguments as anyone in Washington.

We traveled that road and reached the conclusion the committee reached: that the president must go.

Back in August, however, our own editorial board wanted an impeachment.

The prospect seemed an unnecessary embarrassment. The publisher of our newspaper, Steve McPhaul, put the resignation issue on the table, then

listed all the reasons Mr. Clinton should step down.

Heads bobbed in agreement. I reasoned that the illicit sex, however reprehensible, was not the point. It was the lie. Only two editors dissented.

It was not until we posted our editorial on Arianna Huffington's resignation Web site that we learned we were the first newspaper in Alabama — and among the first of more than 150 across the nation — asking Mr. Clinton to step down.

Over the next few months, many critics said that we and the other papers overreacted.

After the election, we were all supposed to be embarrassed

for our stand. But we weren't embarrassed then and we aren't now; if anything, our position has grown stronger. I would guess that the editors at the other newspapers feel the same way.

Now that the House Judiciary Committee has sent articles of impeachment to the full House, we keep hearing that this is all an exercise in futility.

Even if the House votes to impeach, the Senate will not remove the president.

Lying about illicit sex is not grounds for impeachment, the president's expert witnesses told us last week.

They argued that Richard Nixon's subterfuge was somehow worse than Mr. Clinton's

because he used government agencies to cover up his lies. We think that argument misses that point. Mr. Nixon lied. Mr. Clinton lied.

Only Mr. Nixon stepped down before he caused the nation any more grief.

As the sentiment of the American public began to shift against an impeachment, our editorial board did not waver.

Even one of the two original dissenters changed her mind. "It's been enough of a disgrace," she said.

The writer is editorial page editor of The Dothan Eagle in Dothan, Alabama. He contributed this comment to The New York Times.

Mahathir's Economic Policies Could Bring His Downfall

By David Roche

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad of Malaysia's policy of capital controls, for what used to be Asia's most internationalized manufacturing economy, is nothing short of disaster.

His decision to force Malaysia's central bank, Bank Negara, to inject a huge expansion of money into the economy will only generate inflation and destroy the currency.

In a country that owes so much of financing a current account deficit, the gap will have to be closed by shrinking domestic purchasing power. Mr. Mahathir will then be unable to placate the masses, especially majority Malays on whose support his party, the dominant partner in the governing coalition, depends. Social tensions will mount and opposition to his regime will grow. Eventually he will be forced to go.

After sacking Bank Negara's governor and imposing capital controls in September, Mr. Mahathir forced the central bank to make substantial cuts in interest rates and the mandatory re-

serves of commercial banks. This has released more than 43 billion ringgit (\$11.35 billion) into the banking system, or nearly 20 percent of gross domestic product.

The government is now instructing banks to increase lending. In effect, it is trying to accelerate economic growth by giving more money to already bankrupt creditors rather than to productive investment. Many of the biggest creditors are companies that have close ties to the government.

The strategy will not work, because the cause of Malaysia's economic crisis is similar to the causes of the crises buffeting other Asian states. It is based on a huge overhang of domestic debt. Bank credit amounts to more than 160 percent of gross domestic product, and has been plowed mainly into unproductive sectors like real estate and finance. These sectors account for more than half of all bank lending.

Overinvestment is also reflected in massive excess ca-

capacity in property and manufacturing. As a result, the credit used to finance this investment bubble will never be serviced.

Malaysia's banks are in big trouble. Their nonperforming loans, on which no interest is being paid, will peak at around 40 percent of total lending. Even after assuming a recovery rate of 50 percent on the assets backing those loans, and after taking into account existing bank equity and reserves, the government will still have to find 56 billion ringgit, or 22 percent of gross domestic product, to restore the banking sector to something like a state of health.

That is not the end of the state's need for funds. The government is trying to shore up the economy with 15 billion ringgit in fiscal stimulus and infrastructure packages. Malaysia's deep recession will create a deficit on the federal budget account of 27 billion ringgit, or 10 percent of gross domestic product, between now and the end of 1999. Altogether, this

adds up to a resource requirement of more than 98 billion ringgit, or a stunning 37 percent of gross domestic product.

Can the Malaysian government raise such a large amount without printing money and fueling inflation?

To deal with the banks' bad debt problem, Bank Negara was ordered to renege nonperforming loans. Bad debts are now defined as loans that are not serviced after six months, rather than the normal three. And they are no longer bad debts once repayments are made for six consecutive months, rather than 12 as before. So, in a stroke, the government has "solved" that problem.

To finance part of the resource gap, the government is hoping to get about 17.5 billion ringgit from foreign official sources. Japan and Taiwan are reportedly prepared to provide some aid. Perhaps the Asian Development Bank and the World Bank will also contribute. But the bulk of the financing must come from domestic savings because the effective closing of Malaysia's capital markets to foreign participation cuts off other sources.

Government and institutional cash cows in Malaysia could bring in a further 30 billion ringgit. Malaysians contribute to a state-run Employee Provident Fund that runs a sizable surplus of receipts over payments every year.

Also, the state-owned oil company, Petronas, can be prevailed upon to buy new issues of government bonds with its

cash surpluses, as can Malaysian life insurance companies. But that will still leave the government with a net shortfall of more than 51 billion ringgit.

The gap will have to be closed by the government's printing presses.

The huge increase in tight money put into circulation will not remain locked in the country by the government's exchange controls. Companies and individuals will find a way to convert their ringgit into foreign currency and move it out of the country.

As a result, the ringgit's fixed exchange rate will be undermined by an "offshore" collapse. Malaysian living standards will plummet. Unemployment rises and inflation squeezes real incomes. Industry will starve to death on a dearth of imports of capital goods and a lack of domestic demand.

The scene will be set for social upheaval that will force Mr. Mahathir to go. Luckily for Malaysia, there is an alternative leadership in the wings — or, to be more exact, languishing in jail — in the shape of former Deputy Prime Minister Anwar Ibrahim. Under new leadership, Malaysia can reconnect with the world, but not before its people pay a heavy price.

The writer is managing director of Independent Strategy Ltd., a global investment research consultancy based in London. He contributed this comment to the International Herald Tribune.

It's Entertaining, but Is It Literature?

By Verlyn Klinkenborg

NEW YORK — In the early 19th century, a critic wrote these words in the Edinburgh Review about a long-forgotten work of fiction: "The main question as to a novel is — did it amuse?"

were you surprised at dinner coming so soon? did you mistake eleven for ten? and twelve for eleven? were you too late to dress? and did you sit up beyond the usual hour? If a novel produces these effects, it is good; if it does not — story, language, love, scandal itself cannot save it."

Now, this is an ironclad measure of entertainment, but not of literature. It has the amiable demerit of allowing each reader to come to his own conclusions about the value of a novel, conclusions based on the reader's own capacity for literary seduction. The novels that induce this pleasant sensation of timelessness will be as different as the dinners that grow cold waiting for abstracted readers, as different, in fact, as the readers who at last put down their books and take up their forks. This standard easily encompasses works like Norman Mailer's "The Naked and the Dead," John Updike's Robert Angst novels, and Tom Wolfe's new novel, "A Man in Full," not to mention

half the paperbacks embossed with deep décolletage.

Mr. Updike and Mr. Mailer have recently stated in reviews that Mr. Wolfe's new novel is not literature, all the while admitting that "A Man in Full" satisfies the cold-dinner standard of amusement. The question naturally arises, why have they done this and what gives them the right? Had Mr. Mailer and Mr. Updike declared that "A Man in Full" was literature, they could not make it so. Not even the literary critic Helen Vendler has that power.

Like it or not, deciding what is literature is always a retrospective task, and the two months since Mr. Wolfe's book was published are not long enough to let posterity do its work. What Mr. Updike and Mr. Mailer offered were closely reasoned opinions, which are worth taking seriously because of their experience as readers. The fact that both men are also writers has almost nothing to do with the value of their opinions in this case, though it gives the resulting bromahaba a piquantly fraternal air.

The question remains: Why have they done this? They did

it because it was dead certain that Mr. Wolfe would claim "A Man in Full" is literature. He cannot make it so by fiat either. To borrow one of his own phrases, Mr. Wolfe has been man-mauing the literati for the last 25 years. He has advanced in print and at length the argument that novelists need to take the broad sweep of society as their subject and to base their work on more extensive reporting. This argument is the rhetorical equivalent of wearing a white three-piece suit in public, a way of attracting attention. It is especially ridiculous in the context of this fracas with Mr. Mailer and Mr. Updike, much of whose work is as craftily and extensively reported — as evocative of its moment — as ever Balzac could wish.

Each of these three men has written works of literature. Dinners may go cold and readers may go hungry over "A Man in Full," but Mr. Wolfe's most lasting writing has been in the genre of nonfiction. Ironically, like many writers, he has overvalued the ovel by abandoning nonfiction, and, ironically, he has underestimated the extent to which all fiction, not just his own, is based on fact.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Court Etiquette

PARIS — An Englishman complains about the harshness of German etiquette. Armed with a pass he went to witness the arrival of the Kaiser the other day, but was ordered away by an official because he had not provided himself with a "hall" hat. He knew enough about Court etiquette to array himself in evening dress, although the hour was ten in the morning, but he had completed his toilet by wearing a low hat.

1923: Graying Hair

LONDON — Women in all walks of life who have followed the bobbed-hair vogue since war times, together with the further shingling and clipping the mode required, have been thrown into a nervous state by the statement of one hairdresser who has a distinguished clientele that such procedure results

in premature grayness. "These abbreviated styles of coiffure are turning Britain into a nation of gray-haired young women," this authority states. As a result, there has been much consulting of mirrors and searches for the tell-tale gray hairs.

1948: Prince Charles

LONDON — Buckingham Palace announced that Princess Elizabeth's baby has been named Prince Charles Philip Arthur George of Edinburgh. This means the infant prince will be known publicly as Prince Charles, and when he takes the throne will become King Charles III. Choice of Charles as the first Christian name for the Prince took London by surprise. No other member of the royal family now living has the name. The last Charles to occupy the British throne was Charles II, who died in 1685 after a reign of thirty-six years.

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OPINION/LETTERS

Turning a Historic Event Into a Media Blockbuster

By Neal Gabler

NEW YORK — Last week a phalanx of witnesses paraded before the House Judiciary Committee to delineate the differences between the Watergate scandal about 25 years ago and the current presidential scandal. It was a distinguished group, and its members loftily contrasted the political, legal and historical issues.

But they entirely missed the fact that they themselves seemed to represent another difference, this one cultural.

Watergate was a historic event covered by the press. The Monica Lewinsky case — even as it moved into the stately congressional hearing rooms — is a media event with historic ramifications. All the appearances of a media event have been there all along: the hype, the fabricated drama, the celebrity-mongering of which the witnesses themselves were inevitably a part.

This is not to say Watergate did not have some of these same elements. It, too, became a show, with its own celebrities: the wily Sam Ervin Jr. of North Carolina, who was chairman of the Senate Select Committee; the minority counsel, Fred Thompson, who parlayed his fame into a career as an actor and is now a senator himself; and the Washington Post reporters Carl Bernstein and Bob Woodward, to name but a few.

Nor is it to say that the press coverage back then did not have its hysterical aspect, especially once the momentum for impeachment began building. There was, however, an aura of solemnity, even an occasional glint of dignity, during the Judiciary Committee's deliberations in 1974 that carried over into many precincts of the press.

This time around, calm detachment is in short supply. Frenzied engagement is more like it. And this time around there is a whole army of scandal-generated celebrities, including lawyers and pundits who pitch their tents wherever there is a camera and microphone, which these days is everywhere.

Partly, of course, the difference between then and now is the difference between the nature of the alleged offenses: hanky-panky with the constitution versus hanky-panky with an intern. The very salaciousness of the current scandal certainly contributes to its aura of farce. Still, one suspects that even if the issue at stake were more serious — say, an investigation of campaign finance abuses — it almost certainly would be recast as melodramatic entertainment or it would be ignored.

The Lewinsky scandal and the constitutional crisis it has created may seem both larger and more trivial than

Watergate, because the details are flogged in so many places. Entire television networks are devoted to "covering this story 28 hours out of every 24," as Keith Olbermann, a former MSNBC host, put it.

The only way to fill the airtime has been with an endless stream of interpreters, whether the exegetes who teased significance out of the most mundane matters or Talmudic scholars of the Starr report who parsed each word of it — and have done so for hours, weeks, even months on end. Hence Geraldo Rivera, Alan Dershowitz and others, often paired off, hurling words at one another like bricks, night after night after night. Mr. Woodward and Mr. Bernstein are around for historical continuity.

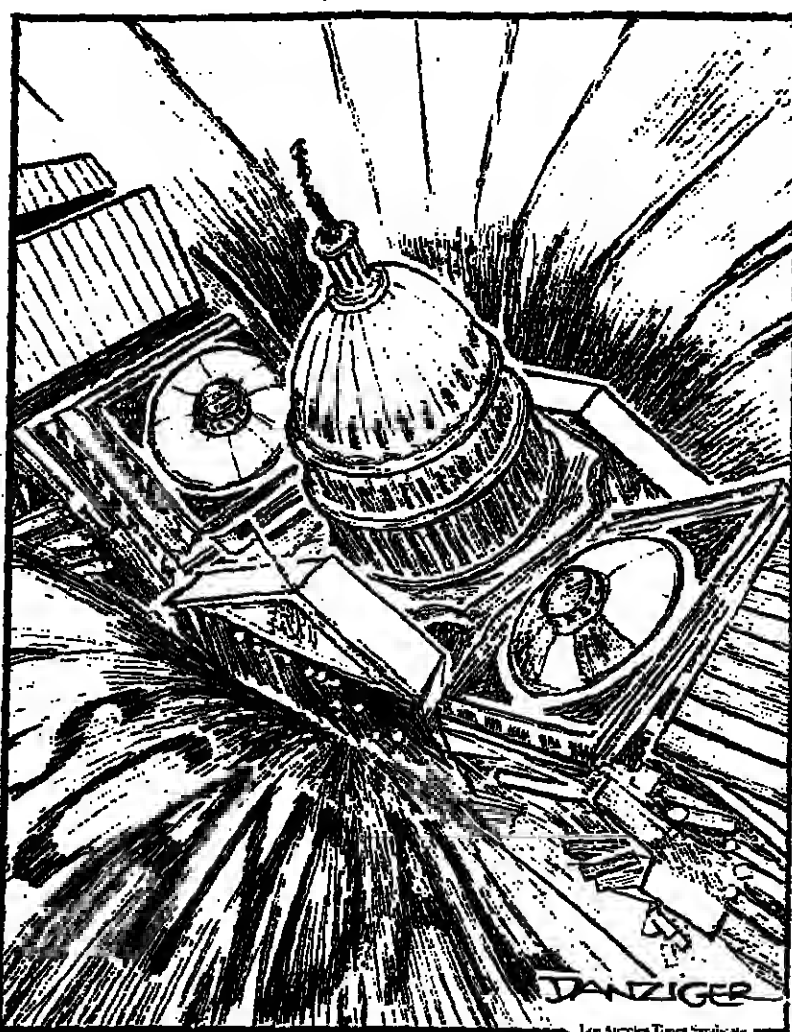
But to attribute the impeachment blockbuster to the proliferation of media begs the question of why they proliferated in the first place. Since Watergate there has been an evolutionary change in our consciousness.

After decades of steady inundation, we have come to think of nearly everything as entertainment, and we demand more outlets for it. The O. J. Simpson trial and the Lewinsky scandal are big entertainment with two tremendous advantages over conventional entertainment: suspense and built-in publicity.

All of this makes for a marvelous symbiosis. Viewers think of these blockbuster news stories as entertainment, the cable networks think of them as inexpensive programming, and the talking heads seem to think of them as vehicles for their own celebrity. This last factor is the only way to explain why lawyers and pundits allow themselves to be recycled from the Simpson case to the Lewinsky affair.

Sports have their famous color commentators. Now every scandal has its color commentators. The difference is that sports commentators never go down onto the playing field and join the action. Pundits in the Lewinsky scandal have exercised on such restraint.

The expert witnesses who testified last week included several regulars on the all-Lewinsky circuit, such as the former Watergate prosecutor Richard Ben-Veniste, plus others who have provided op-ed pieces about the case. One, the Yale law professor Bruce Ackerman, had an article published on the New York Times op-ed page (NYT, Dec. 9) the same day he appeared before the Judiciary Committee. There are others who appear before the cameras, then testify, then write about it. In fact, since relatively few people are



Los Angeles Times Syndicate

mining into the hearings, the babble about them seems to have become the only point, and the commentators themselves have become the main event. Does anyone think the Los Angeles prosecutor Marcia Clark has anything to share on the impeachment process?

Given all this, it may be that the legacy of Watergate was not merely the political precedents it created, but "All the President's Men." It was "All the President's Men" — the movie, perhaps, even more than the book — that reconfigured a political crisis into a thrilling noirish narrative with a beginning, a middle and an end and a Manichean drama with heroes and villains. It was "All the President's Men" that brought the media directly into the narrative, establishing the pattern for the scandals to follow.

The Lewinskyites have taken the idea and run with it. Those who are not interpreting the action or testifying about it can be actively involved in it, breathlessly delivering scoops and stoking the fire, presumably awaiting certified stardom in the movie version. Indeed Michael Isikoff, the reporter for Newsweek, spent so much time on television that he could not stake

out Ms. Lewinsky's apartment for fear of being recognized.

Now, of course, everyone seems to be part of the show, which is always the case when celebrity beckons: grandstanding congressmen and former congressmen, prosecutors, defense attorneys, witnesses, reporters, secretaries as well as those pundits. One attractive counsel for the Judiciary Committee has even received fan mail from viewers who caught a glimpse of her sitting behind Representative John Conyers.

This, in a nutshell, is what may finally distinguish Watergate from the current impeachment spectacle. While the former manifested divisions in our political culture, the latter manifests not only those divisions but also our obsession with entertainment and celebrity.

It has been a terrific show, and we are certainly going to miss it when it closes, even if its audience is thinning out. How else are we going to fill those 28-hour days?

Neal Gabler is the author of "Life the Movie: How Entertainment Conquered Reality." He contributed this column to The New York Times.

Is the Ultimate in Equality The Unisex Bathroom?

By Ellen Goodman

BOSTON — It has been 20-odd years since I first barged in on the unisex toilet issue, without even knocking.

Back then, the conservative activist Phyllis Schlafly was racing about the country warning the good women of America that if we ever passed the Equal Rights Amendment, we would lose the right to separate bathrooms.

The message was that no decent, self-respecting woman would want

to share a bathroom with the Supreme Court justices, even closer to acceptance of the unisex toilet.

As someone who owns a unisex, two-sex, whatever, bathroom, it never occurred to me to sue for humiliation. Having encountered a raised seat in the middle of the night, I have considered suing for bodily injury. But it is hard to sue a husband.

Nevertheless, the cutting edge of social change now seems to be the gender-neutral john. It is not only rampant in coed dorms, but it is also the signature feature of the Ally McBeal law firm where the post-feminist generation of TV women has won the right to wear very short skirts and check out the shoes in the next stall.

Moreover, in real life, the chief executive of Yarde Metals of Connecticut has become famous lately for his plan to install a unisex toilet with his stalls (no urinals) and a shared sink area in his new office.

"I really believe that everyone who works here is equal and should be treated that way," Craig Yarde said. "It started off as a little bit of a joke, but we think it sends a message that we're all in this together."

The notion is that, somehow or other, important corporate bonding and information sharing are taking place around the sink. The bathroom is the locker room, the golf course, the water cooler and the club of the late 1990s. Even the john is corporate space.

This is what we have come to. We did not get the Equal Rights Amendment but we got the unisex toilet. We did not break the glass ceiling, we broke down the bathroom walls. In Ally McBeal's office, the senior partners are men but the women get a gender-neutral john. At Yarde, the door to equal opportunity has many stalls.

I am all in favor of unisex bathrooms built for one. I applaud anything that will shorten the line at the ladies' room. But I remain unalterably opposed to the idea that we have to go together to get there together.

Mr. Glaser may be a frivolous man. But just wait till the next Billy Joel concert. Remember the lyrics from "An Innocent Man"? "Some people stay far away from the door if there's a chance of it opening up."

You bet they do.

The Boston Globe

A Cultural Divide Over Impeachment

By Charles McCarry

NEW YORK — Would the Founding Fathers, who in the charter of American nationhood solemnly pledged to one another their sacred honor, have regarded lying under oath by a president as a high crime or misdemeanor? That question faces the full House now that articles of impeachment have been put before it. It is, of course, a Republican question, and therefore a presidential one.

Or can it be taken on faith that the authors of the U.S. Constitution could not possibly have contemplated the impeachment of a president for a human foible — even if, in a subsequent seizure of shame or cunning, he committed perjury to conceal a peccadillo? That is the Democratic position, even though Democrats have used language at least as strong as the Republicans' to condemn President Bill Clinton's conduct. By and large, the two sides agree on the facts. The problem is that they have irreconcilable differences about appropriate punishment for acts that Republicans regard as criminal but Democrats would prefer to characterize as conduct unbecoming a president.

A certain amount of semantic gamesmanship and party interest is surely involved in the argument. But these are mere convictions — what used to be called matters of conscience — that belong as much to the groups to which the members adhere as to the voice within each of them.

In the debate in the full House, two distinct subtexts will become even more apparent. These are, first, the deep cultural divide across which the two halves of a shattered generation are speaking to each other and the nation, and, second, the striking analogies between the Clinton case and the Nixon case.

The cultural divide has been starkly revealed by the television camera. On the left, for example, there was Representative Barney Frank of Massachusetts, tousled, ruffled, brilliant, angry, glib. And on the right, Representative Bill McCollum of Florida, a straight arrow, every hair in place, the unsporting pizza sauce, smart, cool as iced tea, generously logical.

When Mr. McCollum referred last week to the allegations against Mr. Clinton, he said, "A jury would be hard-pressed not to convict under these cir-

cumstances." On the other side, an impassioned Maxine Waters, Democrat of California, cried, "We cannot trust an investigation in which these tactics have been used!" He accepted the integrity of the system as a habit of mind, and for the same reason she had the most profound doubts about it — not least, one supposed, because it is run, for the moment, by people like Mr. McCollum.

The straight-arrow Republicans believe, and have said over and over again during the Judiciary Committee's proceedings, that words have common-sense meanings. The more ardent Democrats think that words have hidden definitions, that new and better meanings can be assigned to them at will and that this will lead to a better world.

This drives the straight arrows crazy, and if any one thing is the keystone of the impeachment, it is the president's use of American English to mislead and confuse and excuse his selfish and puerile behavior.

Mr. Clinton's vocabulary of evasion — described as "maddening" by his own counsel — simply was the last straw in a long, exasperating process of loading the language with the obfuscatory terminology of the left. As the straight arrows see it, the operation was intended to falsify reality and pollute the polity and the law.

The best example of this counterpunch to come out of the hearings is the phrase, "does not rise to the level of an impeachable offense." To straight-headers it is meaningless — nothing in the 186 words that the constitution devotes to impeachment provides a measuring stick. Do the allegations have to leap over a fireplug or the Empire State Building?

Presumably the Founding Fathers thought that subsequent generations would just know. But even after taking many polls that seem to suggest an indulgent community standard, they are not certain. Clinging to the phrase as if to a scrap of wreckage in a heaving sea, they ask the Founding Fathers to take the responsibility.

As to Watergate, it is clearly the direct ancestor of the present inquest. Outrageous though it may have been

to Republicans, the suggestion by the Reverend Robert Drinan, a former Democratic congressman, in his testimony last week that revenge is a factor in their attitudes contains a grain of truth. If it did not, the Republicans who saw their president vilified and deposed after he had been re-elected by the largest majority in history would be less than human.

Though few would argue that Richard Nixon's crimes did not merit impeachment, the 1974 process that the Democrats remember as so judicious may not be remembered in quite the same way by the other side. It was, after all, the Democrats who created the machinery and established the precedent for the removal of a president from office by denunciation, and few of them worried about outliving Mr. Nixon's landslide.

Watergate, too, began with a stupid crime that was assumed at the outset of an exhaustive investigation to be beneath the dignity of the presidency. Mr. Nixon infuriated his enemies by adamantly refusing to incriminate himself. His subordinates, out of loyalty or ignorance, carried out actions that contributed to the president's criminal designs. Mr. Nixon relented, until almost the last moment, on the belief that he would be saved from impeachment by the votes of Southern Democrats.

When the facts came out at last, many Republicans on the House Judiciary Committee ceased to argue in President Nixon's behalf and voted to impeach him. He resigned because he knew that Republicans in the full House would do the same.

Today there has been no such break in Democratic ranks. These Democrats have a particular conscience of their own, collective as much as individual, that will not permit them to impeach on the charges against their president. Mr. Clinton's hopes for a last-minute reprieve from impeachment rest with wavering members of the opposition. But he may find at the last hour that the tug of party loyalty and the call of personal conscience have undone his calculations.

Charles McCarry, author of "Lucky Bastard," contributed this column to The New York Times.

LETTERS TO THE EDITOR

On Impeachment

The Republicans on the House Judiciary Committee have raised their political obsession to such a level that they place it above the clearly expressed wishes of their constituents, above the best interests of their country, and above decency.

ROY B. LOFTIN, London

Why does there seem to be a consensus, even among Bill

Clinton's advocates, and the president himself, that he committed "morally reprehensible" acts? When morality is essentially what is at issue, there cannot help but be a deep and painful division.

RICHARD SECRIST, Interlaken, Switzerland

Impeaching Mr. Clinton, considered to be one of the most effective U.S. presidents in history, would not even be puritanism, just bigoted revanchism. If America

wants to keep the leadership of the Western world, it cannot kick a president out of office over such trivia.

GIORGIO TRACI, Perugia, Italy

The president and his legal dream team had the chance early on to mitigate the proceedings had they faced the facts and come clean when asked.

Unfortunately, Mr. Clinton continues to dodge accountability by distancing himself

from Washington. This is a sign of an arrogant offender, not a remorseful leader.

N.D. KING, London

The Founding Fathers did not intend that every matter of major interest be resolved by plebiscite, but by intense public debate in the House and Senate. Let's give Congress credit for doing exactly what it was designed to do.

DAVID TIMMINS, Geneva

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INTERNATIONAL

At Campus for Eastern Brass, Basic Training in Democracy and English

By Dana Priest
Washington Post Service

GARMISCH, Germany — A former prisoner-of-war camp once run by the U.S. Army beneath the snow-dusted Bavarian Alps has become the intellectual center for the inconspicuous revolution taking place inside the militaries of Eastern Europe.

With English language labs, workshops on how to use the Internet and discussion groups on the benefits of democratic regimes, the George C. Marshall European Center for Security Studies may be doing as much to shape Europe's future as any academic center on the Continent. The United States spends more than \$25 million a year to create an Ivy League atmosphere in

which both the old guard and the new feel the freedom to entertain the notion that their militaries should be much smaller, smarter and more loyal to elected civilian leaders.

One day this fall, most of the 80 colonels, generals and foreign ministry officials attending a lecture listened to simultaneous translation from English into Russian, reflecting the high percentage of students from former Soviet republics.

Rob de Wijk, a defense planner for the Dutch Defense Ministry, contended from the podium that NATO should be considered an alliance of adult democracies as much as of willing militaries. "The big problem is mind-set," Mr. de Wijk said during a break.

"It's very, very difficult to really change the

mentality of the people who never had the opportunity to think differently."

Nearby, two Slovak officials talked quietly about pressures to politicize their armed forces. A Bulgarian Foreign Ministry official ruminated on the slow pace of reform in his country. A Latvian officer hovered nearby, listening intently.

"We don't want to provide them with the tools but with the ideas of democracy," said Robert Kennedy, the center's director.

The Garmisch center has attracted more than 3,800 foreign officers, parliamentarians and ministry officials for conferences and month-long courses. Some have parlayed the prestige and connections gained here into promotions back home. There are enough of these rising stars

to spot the outlines of a new Western-trained military elite.

David Tevzadze of Georgia and Johannes Kert of Estonia were both promoted repeatedly after attending the center and now are ministers of defense. Colonel Zvonko Stojanovski has become Macedonia's air force chief of staff. Four alumni — from Armenia, Bosnia, Macedonia and Azerbaijan — have gone on to become their countries' military attaches in Washington. Eighteen former students have been assigned to the headquarters of the North Atlantic Treaty Organization. After Lieutenant Colonel Halit Daci was purged for his political beliefs from the Albanian Defense Ministry, he started a national security research organization. Four other alumni are members.

For all its elaborate policy aims, the Garmisch center's first step is to encourage men used to thinking about war plans and killing techniques to master basic English and signing onto the Internet.

The curriculum reflects some of the emphasis of U.S. instruction across the region, where the U.S. Defense Department has opened 88 language labs in military facilities in 22 countries, with 49 more labs on the way.

Also, hundreds of East European officers go to the United States each year for English classes.

"It may sound funny," said Ambassador Vladimir Philipou, foreign affairs secretary to the president of Bulgaria, "but language training, that is what you need."

30 Kosovars Killed in Clash Near Albania, Serbs Report

The Associated Press

PRISTINA, Yugoslavia — Yugoslav Army troops killed at least 30 armed ethnic Albanians and wounded 12 others in a border clash Monday in Kosovo, the Serbian Media Center reported.

The Albanians' Kosovo Information Center also reported casualties from the early-morning clash but did not immediately say how many were killed or wounded. It said heavy detonations were heard from three villages that had been sealed off by the police.

The report of 30 deaths in the five-hour clash was the greatest number of casualties in one encounter since an Oct. 12 peace agreement halted fighting in the separatist province in southern Serbia.

Ethnic Albanian rebels have frequently armed themselves in neighboring Albania.

The clash came as a U.S. envoy for Kosovo renewed talks Monday with the province's ethnic Albanian negotiators. Christopher Hill, whose proposals for a political settlement for Kosovo have been rejected by both sides, met with negotiators in the provincial capital of Pristina. He planned to travel to Belgrade on Tuesday for talks with Serbian officials.

Efforts to forge a political settlement that would bring a lasting peace to the province in Serbia, the dominant republic in Yugoslavia, are stalled. Many fear full-scale fighting will resume in the next few weeks or months unless there is a breakthrough in negotiations.

Ethnic Albanians insist on a political plan that would enable them to break free of Serbian rule, while Serbia refuses to give up the province.

The Serbian Media Center report said a group of armed ethnic Albanians was trying to enter Kosovo illegally from Albania when the shootout erupted at 2 A.M. Monday near Gornozup and Likani, 70 kilometers (45 miles) southwest of Pristina.

Yugoslav Army guards confiscated arms and other material that the Kosovars were trying to smuggle in, according to the report, which could not be independently confirmed.

Municipal authorities in nearby Prizren were quoted as saying that all those killed and wounded were wearing camouflage uniforms with the insignia of the Kosovo Liberation Army. Eight Albanians were killed in a border clash near the same area on Dec. 3.

Hundreds of people have been killed and some 300,000 were left homeless after President Slobodan Milosevic launched a crackdown against the separatists in February.

Meanwhile, a delegation of Kosovo's Serbs arrived in Pristina on Monday to plead with international peace monitors to find relatives who disappeared five months ago. About 50 Serbs met with Gabriel Keller, deputy head of the 2,000-member peace mission led by the Organization for Security and Cooperation in Europe.

In another development, the second-ranking diplomat at the French Embassy in Belgrade and two other embassy employees were killed Monday in a car accident in Kosovo. French officials said Gerard Fauveau, the embassy's first counselor, was among those killed when his car collided with a passenger bus in Besinje, just north of Pristina.



U.S. troops, members of the NATO-led peacekeeping force, patrolling an area near the disputed Bosnian town of Brcko on Monday at the start of a five-day exercise in maintaining security by the multinational units.

Pentagon Sees a Fight for More Funds

By Steve Lee Myers
New York Times Service

WASHINGTON — The Pentagon has asked President Bill Clinton for the largest increase in military spending since the first four years of Ronald Reagan's Cold War buildup, but the administration has balked at the size of the request, having already pledged to preserve budget surpluses for the Social Security system.

After years of dwindling resources following the collapse of the Soviet Union, Defense Department officials express hopes that Mr. Clinton will propose the Pentagon's first real increase in military spending since 1991, when the military budget spiked slightly for the Gulf War.

But their hopes for a large increase in next year's budget — stoked by encouraging words from Mr. Clinton himself — have waned in recent weeks as a White House battling impeachment also scrambles to find ways to support Social Security and balance competing demands from other agencies, administration and defense officials said.

The Pentagon's concerns have become so acute that William Cohen, the secretary of defense, and General Henry Shelton, the chairman of the Joint Chiefs of Staff, delayed their departures for separate trips to Europe this week. Instead, they stayed in Washington to press their case in pivotal budget meetings at the White House slated for Monday.

"We need to fight for our money," a defense official said Sunday. In a meeting with Mr. Clinton last week, Mr. Cohen, General Shelton and the chiefs of the army, navy, air force and Marines argued for at least a \$10 billion increase in spending in next year's budget and a \$112 billion increase over the next six years, the officials said, speaking on the condition of anonymity.

The increase next year — to pay for everything from spare parts to raises for the troops to the peacekeeping mission in Bosnia — would represent a roughly 4 percent increase above the Department of Defense's current \$258 billion budget, the largest annual increase since 1984. Between now and 2006, the annual increases would grow steadily to \$25 billion a year.

But Mr. Cohen and the chiefs left that meeting without a firm pledge for any increase. And while Mr. Clinton expressed support in principle for addressing problems with the military's readiness, the officials said it now seemed unlikely that the president would propose more than a modest increase, if any, when he unveils his budget proposal in February for the 2000 fiscal year.

"I think there is a lot of sympathy for their needs over there," an administration official said. "But I don't think that even in a perfect world they would get every penny they're asking for."

The wrangling has created a political problem for Mr. Clinton, who already faces intensifying pressure from Republicans in Congress to increase military spending. After inviting Mr. Cohen and the chiefs to submit requests for more money, Mr. Clinton will now face criticism for giving anything less than the amount they have calculated as necessary to keep the nation's military fit.

MEMORIAL: Schroeder Picks 'Interactive' Holocaust Project

Continued from Page 1

slaughters in regional flashpoints. He said the project would be debated in the German Parliament and that a final decision should be reached by next summer.

"We want this to be a living memorial, not a ritualistic monument, that provides a clear and visible link between the past, the present and the future," Mr. Naumann said in an interview. "There will be global collaboration in this experience, with places like Yad Vashem in Israel and the Washington Holocaust Museum sharing data, exhibits and scholarly expertise."

Mr. Schroeder has expressed his full backing for the project and says he shares the belief that a Holocaust memorial for "the Berlin Republic" should teach generations of young Germans about the scale of Nazi atrocities and the risk of future genocides.

That concern was underscored by a recent survey of German teenagers by the Forsa polling institute that found 31 percent of them could not answer the

question, "What was Auschwitz-Birkenau?"

Ever since the idea was conceived nearly a decade ago, the proposed construction of a Holocaust memorial to honor Jewish victims of Nazi persecution on a vast building site at the epicenter of Hitler's Third Reich has provoked heated arguments among politicians, intellectuals and the 100,000 Jews residing in Germany.

A succession of architectural designs have been dismissed as too abstract or frivolous. One suggestion proposed a large Ferris wheel equipped with 16 revolving freight cars similar to those that transported Jews to the death camps, a concept described by the artist as the "tension between hope and hopelessness, between a carnival and genocide."

The winning entry called for a block-long slab of tilted concrete inscribed with the names of several million Holocaust victims, but Mr. Kohl exercised his veto and chose the labyrinth of pillars after Mr. Eisenmann and Mr. Serra consented to reduce its proportions.

But earlier this year, a group of prominent German historians and writers urged the government to abandon the project because it failed to meet the original standard of creating a place for "quiet mourning and remembrance, of warning or enlightenment."

They also questioned why other victims of Nazi crimes, including Gypsies and homosexuals, were not honored.

Mr. Schroeder's ascendancy as the first German leader without any personal memory of World War II has raised concerns at home and abroad that a new generation of political leadership would try to draw a line under history and strive to be treated as other "normal" Europeans without any special debt incurred by the Nazi legacy.

Since Mr. Schroeder's victory in the September election, Mr. Naumann has traveled extensively, soliciting cooperation from other countries and seeking to persuade them that Germany's new government of Social Democrats and Greens had no intention of disavowing their obligations to remember the past.

ALLIES: Pentagon Is Building Many Ties

Continued from Page 1

"Against all of their historical experience," he added, "against all the times they have sought to be with the West and not been protected by the West, they still look to the West. They have these hopes."

Many current and former U.S. officials share this view.

"I don't know of any historical precedent or any other country doing this in this way," said William Perry, who was a guiding force behind the military outreach as secretary of defense during the first Clinton administration. "There are large risks of failure. What we're doing is very difficult and improbable, but doing nothing guarantees failure."

Critics see a host of other risks in the U.S. approach. They fear the administration is extending security commitments to an unstable region without public debate. Some argue that the effort distracts the military from its central mission of being prepared to fight wars. Others question whether the reorganization — which includes big increases in U.S. weapons transfers — is encouraging a costly and destabilizing arms race.

Some Russia experts say that Moscow, already skittish about the expansion of NATO, may react negatively to an even larger American shadow.

American officials "dangerously misread Russia," said Stephen Blank, a professor at the U.S. Army War College. "They think it will be like post-'45 Germany. I think they are dead wrong."

"We are expanding our sphere of influence at the expense of the Russians," he said.

"Peacetime engagement," as the Pentagon calls it, has become a central mission of the U.S. military since the end of the Cold War at the start of the decade. American special operations forces have reached out to the militaries of at least 110 countries, including every country in Latin America, through exercises and training missions. Naval vessels and military leaders now routinely visit countries in Africa and Asia that were once off-limits or considered strategically insignificant.

But nothing rivals the scope or stakes of the involvement in Central and Eastern Europe. U.S. advisers have conducted top-to-bottom assessments of the armed forces of Lithuania, Latvia, Estonia, Bulgaria and Romania and have written the blueprints for their remodeling. In the Czech Republic, Poland, Hungary, Romania and Slovenia, they are revamping command-and-control systems.

In 15 countries, American officers and European allies have installed computers for a new budgeting and acquisition system. American advisers have drafted military codes of justice and tactical war-fighting doctrine, and have given some forces their first look at sophisticated special operations equipment.

American officials have made the greatest inroads where the transition to democracy is most advanced, like the Czech Republic, Hungary and Poland, which have been accepted as North Atlantic Treaty Organization members with U.S. sponsorship.

In what officials call a crucial step, for example, Poland is allowing an eight-man U.S. military team to help reshuffle its insular general staff, which has resisted transferring control over troops to civilian authorities. The Americans say they will help Poland establish a NATO-style joint staff tied to an interagency political process like that in the United States.

In other countries, U.S. involvement has been slowed by lingering suspicion and tradition. In Bulgaria, where a pro-Communist government kept Americans at bay until an electoral upset last year, the U.S. team has had little contact with Bulgarian officers and few Bulgarians have been promoted on their return from U.S. training.

Much of the U.S. effort has been carried out under the Partnership for Peace, a NATO program involving 27 nonmembers that is designed to bring militaries up to NATO standards through multilateral exercises and defense restructuring.

The partnership program is also a nonaggression pact and includes the right of members to request high-level NATO consultations in times of crisis. While European militaries also play a role in the program, its agenda and budget are dominated by Americans.

But the enterprising character of U.S. engagement is best captured by a little-known initiative called the Joint Contact Team Program. The program is run by the U.S. European Command, based in Stuttgart, with no direct involvement by NATO.

On an annual budget of \$20 million —

less than the price of an average F-16 fighter jet — the program assigns four- or five-member teams to work in the defense ministries or general staff offices of 13 countries. The teams arrange exchanges that this year have brought some 1,400 U.S. military personnel to the region to teach and train 100,000 troops, according to the European Command. Some 1,400 Eastern European officers have traveled to the United States or to U.S. bases in Europe for classroom training and seminars.

The program has had an enormous neutral hair since its start in 1992, when General Colin Powell, then chairman of the Joint Chiefs of Staff, sent a team to advise Hungary on everything from ordering uniforms to establishing a military legal system.

As protection from the cumbersome and political Pentagon budgeting process, the program was initially paid for from a discretionary fund held by the chairman of the Joint Chiefs of Staff.

To work within congressional prohibitions on training foreign troops, the visits by U.S. military experts are called "exchanges" and the experts are called "contact teams" rather than trainers.

Some analysts say that the program is an example of how the Pentagon is eclipsing the State Department as the most visible agent of U.S. foreign policy overseas.

"The State Department has become a very small organization, and undermanned," said Andrew Nichols Pratt, a professor at the George C. Marshall European Center for Security Studies in Germany and a former Marine Corps colonel. "Engagement is easier for the military. We have the infrastructure and the educational programs. The military has the ability to move around and we have the resources."

Where the U.S. military's influence has taken hold, the impact can be pervasive. On the grassy hills outside a non-commissioned officers corps academy in Kaunas, Lithuania — a campus modeled after the U.S. Marine Corps academy — a Lithuanian Army major, Kestutis Kurelis, recently watched as a platoon of recruits moved toward a mock enemy camp.

"The camouflage, that's American. The way they wear their gear, that's American," whispered Major Kurelis, commander of the academy. "All these maneuvers and patrol techniques we've learned from the Americans. For two years we've concentrated on small-unit tactics."

What Major Kurelis is doing with his young noncommissioned officers is precisely what a team of high-level Pentagon officials recommended for Lithuania, which had

few machine guns and not a single tank or combat aircraft when it regained its independence at the end of the Cold War.

During an assessment this year of the Lithuanian Army, Major General Henry M. Kievanar Jr. of the U.S. Army sent an American team to every active air base and naval facility and on inspections of companies and platoons. The team's findings have become "our road map," said Jonas Kronkaitis, Lithuania's deputy defense minister.

Lithuania hopes to be admitted to NATO while trying to preserve its good relations with Russia. To show its commitment, it has increased defense spending by 50 percent in the last year, to \$153 million. Lithuania's Parliament has pledged further increases.

A seven-member U.S. team was on the ground in Vilnius, the capital, four months before the last Russian troops left in 1993. Today, four U.S. officers work out of the stone national guard headquarters. Inside a small suite of offices are computers, a bookcase of U.S. military manuals, maps and texts of U.S. military procedures. In the last five years, the teams have organized 430 exchanges, including combat training and units that have come to teach Lithuanians long-range reconnaissance and hiding techniques.

By reinforcing the position of national militaries as the dominant institutions in many countries, some critics said, the United States may actually be retarding the emergence of strong democratic institutions.

"It's a diversion from the important goal of stabilizing societies and economies in the region," said Daniel Plesch, director of the British American Security Information Council, an independent research and advocacy organization. "And it really provides a date for American security commitments."

"These countries may not be in NATO but, all the way out to Kazakhstan, they see themselves related to the U.S. military."

SWISS: A Wary Eye Is Being Kept on the Neighbors' Introduction of a Common Currency

Continued from Page 1

on in Brussels?" But he also surmised that the Swiss exception is in its twilight. "I don't know if we can go on like this much longer," he said.

"Being Swiss doesn't mean what it used to mean. My kids don't know what it means. They shock me sometimes. They think of themselves as Europeans."

Mr. Moser's pride of place and his misgivings are widely shared in Switzerland. The Swiss may be taking a wait-and-see attitude toward the euro, but there is a dawning sense of inevitability that their future may have to lie in a web of closer attachments to their neighbors.

The price of their solitude, which served them so well during World War II and then the Cold War, has lately been steep. It was driven home like a dagger with the serial revelations of Swiss banks' profiting from the accounts of Jews who lost their lives in German gas chambers.

The myth of wartime Swiss neutrality was exposed as just that, but the scandal was not just a history lesson. It opened Swiss eyes to their contemporary isolation. By joining the pile-on over Nazi gold, many Swiss say, their European

neighbors abandoned them. "The Swiss learned what it means to be on their own," said Walter Kaelin, a law professor at the University of Bern.

Little in recent years has unified this trilingual, highly decentralized country as thoroughly as the world's condemnation of its actions during the war.

In Vienna on Friday, the Swiss completed four-year negotiations on a bilateral trade deal with the European Union that might have been unnecessary had Swiss voters not rejected an offer of membership in the European Economic Area — a single-market zone linking the EU with the rest of Western Europe — in 1992.

"They're no longer equal partners with their neighbors," said Pierre Hazan, author of the unsparing new book "Le Mal Suisse" (roughly, "The Swiss Problem"), in an interview. "What can the Swiss offer" at the negotiating table? Not much, any more.

"The future of Switzerland is being decided outside this country," he said.

The coming of the euro next month as the official currency of 11 countries is being observed in Switzerland with apparent confidence, at least in the short term.

If the euro is strong and stable, Swiss

businesses expect to benefit from the resulting economic health of Europe. Sixty percent of Swiss exports go to Europe and 80 percent of its imports come from Europe. Because Swiss banks have always been a haven for foreign assets, dealing with 10 fewer currencies may not be a difficult transition.

A more ominous scenario would be a euro that founders, possibly because the shakier economies and more indebted governments of Europe cannot sustain it.

If the euro becomes weaker, analysts and officials here say, that would drive currency traders to the Swiss franc — not a bad thing for Swiss banks — but exports would become prohibitively expensive to the country's major customers. Swiss industry and work force would suffer. A devaluation of the Swiss franc might ensue.

On the horizon in the first decade of the 21st century are a succession of new referendums that could force the issue of Swiss integration into Europe. Swiss leaders have favored it for years. Despite setbacks in referendums, the government continues to tout the idea in glossy pamphlets so enthusiastic they might have been produced by the European Union.

The best-known critic of just about every entangling alliance is Christoph

Blocher, a nationalist businessman who runs a chemical empire with factories from Taiwan to South Carolina.

"If we join Europe, our interest rates will rise 2 percent, and that would raise housing costs by 30 percent," he said in an interview.

EU membership would instantly make Switzerland one of its wealthiest members, imposing a significant burden of as much as 4 billion Swiss francs (\$3 billion) a year in payments to the EU for redistribution to have-not members.

That, Mr. Blocher said, would raise Swiss taxes — low by European standards — by 15 percent. He predicted that the unemployment rate, at 3.6 percent the second-lowest in Europe, would rise, as would Switzerland's rock-bottom interest rates.

"It's important that a small country like Switzerland can determine its own fate rather than let a huge bureaucracy do it," Mr. Blocher said.

Yet he said that he might eventually change his mind — if the euro works and the European system becomes much more decentralized.

If Switzerland's most ardent European rejectionist is willing to leave the door ajar, then the Swiss may be closer to walking through it than they realize.

هكذا من الأصل

A King of Haute Couture Feathers Reigns Supreme

Andre Lemarie:
'I tell the young people that they are working for their future rather than mine.'



Yves Saint Laurent's lion's mane coat of cock, pheasant and vulture feathers.

Saint Laurent's white ostrich evening coat over a black dress.



Eagle feathers created a dramatic headdress at McQueen's autumn couture show for Givenchy.



Thierry Mugler's turkey feather coat printed to look like the markings of fur.



Hanale Mori's wedding dress trimmed with turkey feathers coated with mother-of-pearl.

Andre Lemarie Is the Last of the Plumassier Breed

By Suzy Menkes
International Herald Tribune

PARIS — This is the season for fine feathers — and they don't come much finer than these tiny plumes with quivering tendrils floating on a wisp of white organza.

"Turkey!" says Andre Lemarie, gobbling his jowls to emphasize that what looked like an aureole of snowflakes on a dress on the couture runway was plucked from the farmyard. Lemarie is the last of a breed: a *plumassier* or feather-maker, still playing a trade that goes back to the tribal emblems of ancient civilizations but is now the ultimate symbol of feminine frivolity.

One by one his competitors have shut up shop, leaving him the last of the Mohicans — an appropriate metaphor since he created for Givenchy's fall couture an Amazonian head-dress in which Alexander McQueen showed feathers in all their savage glory.

Such theatrical gestures — like Thierry Mugler's feathers faking monkey hair — contrast with more refined effects, especially for young designers who use feathers insouciantly in sportswear, woven into sweaters, as downy parkas or fluffy skirts.

They often seem like a substitute for fur, with the feather coat — in ostrich or marabou — offered by many designers as a dressy evening outfit or even as a casual parka. Plumes are also frequently used for trimming (for collars, cuffs and borders on tailoring or knitwear) where fur was once more familiar. Some feathers are even dyed with animal markings to increase the sense of crossover with fur.

"I will never forget when Yves Saint Laurent said he wanted to make a lion's coat out of feathers," says Lemarie, showing the original sample: russet and gold feathers that look like autumn leaves catching the dying sun.

Behind huge graffiti-covered doors in an old quarter of Paris is the shabby but grand building where Lemarie's grandmother, the founder of the company, moved nearly 100 years ago. Racks of boxes, stained tobacco-brown with age, are inscribed: "Birds of Paradise," "Prince of Wales," "exotic orchids."

Inside are nesting rainbow-colored plumes, ostrich feathers curled into a crescent shape and life-size blooms with velvet petals. Making luxuriant artificial flowers is another feather in Lemarie's cap and he turns out Chanel's famous camellias — in silk, cotton, velvet, leather or vinyl — at the rate of 20,000 hand-made flowers a year.

The genial Lemarie, 73, with the face of a country curd and the enthusiasm of a child, calls himself an artisan, but is really an artist. His contribution to haute couture, like that of

the embroiderer Francois Lesage, has marked the century. Lemarie has worked for many of couture's legendary figures, from the reclusive Cristobal Balenciaga to the patrician Hubert de Givenchy, who would always be sitting at his table, in his white work blouse, from 8.20 A.M. to welcome suppliers.

"Balenciaga was more intimidating," Lemarie says. "You walked on tip-toe as though it were the sacristy; it was a house with a certain mystery." He remembers Balenciaga's particular demands for flat-woven feathers that looked like fabric, and his passion for gazar, a stiff lacquered silk that made giving on the feathers especially difficult.

Lemarie is frustrated that he doesn't have the same close relationship with today's couturiers, who send their assistants or, in the case of John Galiano, delivers a vintage flower, found in the flea market, and requests a painstaking couture copy for Dior.

McQueen has worked a lot with feathers and artificial flowers or foliage since he became haute couture designer at Givenchy. One of his most dramatic pieces was a cape of iridescent pleated silk leaves and dyed and lacquered reeds, as found in a riverbed. They were all worked on an organza base.

When 21-year-old Lemarie entered the company in 1946, he concentrated on exports, which meant shipping feathered hats to American stores from coast to coast, or supplying Saks Fifth Avenue with feathered headbands, when they were all the rage. Now business in the United States has been reduced to a trickle by the decline of millinery and the complex laws that prohibit, for example, the importation of the speckled pheasant feathers with their intriguing natural markings.

REVERENTLY, Lemarie unwraps the last of his Birds of Paradise, tanned in China in the days of the last emperor, its natural Fairview colors still vibrantly fresh. Other plumes are dyed: a humble pigeon feather turned parrot green and ostrich in shades of pink and purple. They look like something from the Folies Bergeres, but Lemarie bristles at the suggestion that feathers are for showbiz.

Yet feathers do suggest feminine frivolity, hence those accusations about women being "feather brained." They seem a most unlikely addition to a modern woman's wardrobe, yet the colorful feather boa has a long history as an accessory for the holiday season. Maybe the fashion revival has come as a challenge to political correctness and to plain and sensible clothing. Or perhaps plumes correspond to a current desire for something light but voluminous.

A pheasant-feather body suit at Givenchy, pearlized turkey feathers on a Hanale Mori

wedding dress, a white ostrich evening coat from Saint Laurent, pink ostrich skirts from Balmain, a marabou trench from Mugler and a spectacular patterned sweater from Jean Paul Gaultier are just some of the effects seen on recent runways. Now couturiers are knocking at Lemarie's door as they work on the spring/summer shows to be presented next month.

But is there really a future for this *recherche* trade? Lemarie employs 26 workers on the Paris premises, where young artisans use century-old handtools to heat and mold the feathers and flowers, under the manager Bruno Marchini and the creative director Eric Charles Donatien, whose nimble fingers are arranging a mosaic of feathers on organza.

"I tell the young people that they are working for their future rather than mine," Lemarie says. An elegant midnight blue bolero in ostrich treated with glycerin, for Saint Laurent ready-to-wear, proves that feathers can be off-the-rack and commercial.

Loulou de la Falaise, who has collaborated with Lemarie on many Saint Laurent projects, including the famous 1990 lion's mane coat, says that she loves going through the "profusion" of feathers, "picking out all the most extravagant things."

"I like it when it looks very wild," she says. "I always like working with exotic stuff. Monsieur Lemarie is also very sensitive about flowers. We've had poppies, wild roses, velvet roses, straw flowers. He's very faithful. And so are we."

How does Lemarie himself feel about a career that has brought him together with ritzy clients, like Jacqueline de Ribes and Marie Christine de Keut, and into partnership with the great Parisian couturiers? His answer is the measure of the modest man.

"Above all, I feel very proud," he says. "It's not personal pride, but the idea that I have been able to contribute to the work of someone who was superior to myself."

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Homage to the Glories of the Peacock

LONDON — The glory of the peacock, the aristocrat of birds, is the subject of an exhibition opening Thursday at a London costume gallery. The emblem of the feather, its design radiating from the central eye and its magical green, blue and stormy violet colors, is shown as a print on an antique provençal dress on loan from a museum in Arles, France.

The exhibition pays homage to the famous Peacock Room created by James McNeill Whistler a century ago. Current contributions

to the central display of the dress include a wig-hat from the Welsh feather magician Dai Rees, slippers from Manolo Blahnik and jewelry by Katherine Clark. She uses motifs from Chinese porcelain and from the drawings of Aubrey Beardsley, who made the peacock the height of fin de siècle fashion a century ago.

The exhibition, *Parure de Plumes*, opens Dec. 17 at Judith Clark Costume, 112 Talbot Road, W11, and runs to Feb. 7.

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BellSouth Toots Own Horn, Raising Eyebrows

By Seth Schiesel
New York Times Service

NEW YORK — Why is BellSouth Corp. talking up its stock?

That question has been percolating on Wall Street and in the telecommunications industry all fall. And while the speculation is nowhere near a boil, it is clear that BellSouth has become more aggressive in promoting its stock than it has been at any time at least since the passage of the Telecommunications Act of 1996.

There is nothing necessarily untoward about a company of BellSouth's caliber encouraging people to buy its shares or encouraging analysts who work for brokerage houses to raise their estimates for the company's performance, which is functionally the same thing.

But in an industry where multimillion-dollar acquisitions have become almost commonplace, a company in BellSouth's size — so far nonacquisitive position is bound to raise eyebrows by flogging its shares.

Stock, after all, is the currency of most communications deals.

The brows were set in motion in October at a meeting with investors

and analysts in New York. There, the company's top executives said that many analyst estimates for BellSouth's earnings growth were too conservative and encouraged stronger projections for next year.

Around the same time, company representatives telephoned at least one reporter to point out how well BellSouth's stock was performing.

There is nothing unusual about a company loudly promoting its prospects — unless the company is BellSouth. Higher expectations only make it easier to fail, and BellSouth's time-honored practice has been to avoid the high wire.

"BellSouth is a very conservative organization," said a Wall Street executive who follows the Atlanta-based company. "Traditionally, they have not been this promotional."

Late last month, in a single day, the company announced three moves, each of which could be expected to nudge up its stock price and did so. It said it would split its shares two for one, raise the dividend by 5.5 percent and buy back as much as \$3 billion worth of its stock.

In an interview in early December, before another lunch with analysts in New York, Ronald Dykes, Bell-

South's chief financial officer, did not disagree that his company had become more aggressive in discussing its stock. But he made it clear that the cheerleading effort had been underway for more than two months.

"This started at our annual meeting in April," he said. "But the guidance didn't take."

It was in April that BellSouth raised its "guidance" for analysts on its expected per-share earnings growth from "low double digits" — or 10 to 12 percent, in finance speak — to "midteens," which basically means 15 percent. But not all the analysts followed its lead by raising their growth estimates, which compare 1998 data with forecasts for 1999.

As Mr. Dykes told the analysts and investors at the lunch, "It took a few folks a few quarters to figure out what 'midteens' meant." Eventually, though, all of this "guidance" achieved the desired result.

From Jan. 1 until BellSouth's annual meeting on April 27, its stock gained 12.4 percent. That placed it second behind GTE Corp., at 13.5 percent, among the six local telephone giants in the United States, and just ahead of US West Com-

munications Inc., at 11.8 percent.

But for the entire year so far, BellSouth's shares have performed far better than the stocks of any of the other companies in the segment. BellSouth's stock appreciation of 55.5 percent through Friday outdistanced each of the other five by at least 16 percentage points.

But talk, even from a company as traditionally reticent as BellSouth, remains cheap. The strong performance of BellSouth's stock is grounded in one of the most respected telecommunications management teams in the nation.

That team, led by F. Duane Ackman, has done a good job of controlling costs and generating new revenue from existing customers, even while investing billions of dollars in growth markets in Latin America.

For all that, though, why does BellSouth's stock merit a multiple of projected 1999 earnings of 27, when the rest of the group is bunched between 20.2 (Bell Atlantic Corp.) and 24.4 (Ameritech Corp.)?

One reason could be that, unlike four of its brethren, BellSouth is not now betting on the successful execution of a multimillion-dollar merger. The conventional wisdom is that with the industry consolidating all around it, BellSouth cannot continue to go it alone forever.

That remains to be seen. But some analysts think BellSouth is getting set to use its elevated shares to make a bid for a new long-distance phone company. Those mentioned include KRC Communications Inc. and Williams Communications Inc. — now that Williams Companies Inc., the parent of Williams, has agreed to issue a separate stock for the long-distance business.

Or analysts, though, say that no BellSouth purchase seems imminent.

In the interview, Mr. Dykes would say only that within the United States, acquiring new lines of business seemed preferable to building them. In his presentation at the subsequent lunch, however, he did not shy from flashing the company's wallet.

"We have a lot of cash," he said. "We are underleveraged. And we have the strongest currency in the business."

Japan Prices NTT Shares Below Market

Bloomberg News

TOKYO — Japan's government on Monday priced its sale of 10 million shares in Nippon Telegraph & Telephone Corp., the world's largest phone company, at \$55,000 yen (\$358) each, to raise up to \$5.5 billion yen to protect depositors of failed banks.

The price is 3 percent below the \$58,000 yen it last traded and falls short of the 1.2 million yen that analysts say is the stock's fair value, based on future earnings calculations. The sale was 2.9 times oversubscribed, the government said.

The Finance Ministry, whose stake in NTT will fall to 59 percent from 65.5 percent, is selling a fourth tranche of shares to help pay the

government's 60 trillion yen plan to protect depositors and help banks write off bad loans. The shares will start trading Tuesday, ahead of price issued on Friday.

"The shares will rise tomorrow because everybody knows their fair value, and that they're cheap," said Yoshihiko Ito, deputy manager of equity investment at Asahi Mutual Life Insurance Co. "The stock closed at a surprisingly low price."

NTT shares closed Monday at \$52,000 yen, a drop of 4,000. There was global demand for 2.91 million shares, of which 2.74 million were requested at a 3 percent discount, said a Finance Ministry official who requested customary anonymity.

Of the 1 million shares on offer, 710,000 will be allocated to Japan. 105,000 shares will be sold in the United States, and 185,000 shares will go to Europe and elsewhere, the official said at a press briefing.

The government said it expected to gain \$35.9 billion yen, after paying expenses such as a 2.15 percent commission to the brokerages that managed the sale.

The lead underwriters were Daiwa Securities Co., Goldman Sachs & Co. and Warburg Dillon Read.

There was strong demand from Japanese individuals, who asked for 1.66 million shares out of the 2.06 million requested in Japan, the official said.

Seoul to List Phone Firm Next Week

Compiled by Our Staff From Dispatches

SEOUL — South Korea said Monday it would list state-run Korea Telecom on the domestic stock exchange next week, setting the stage for a \$2 billion stock sale overseas and the pursuit of a strategic partner by the nation's biggest phone company.

Korea Telecom will initially sell 13 percent of its equity to foreigners in the form of depositary receipts, while offering a 15 percent stake to a strategic partner among foreign telephone service providers.

With foreign investors demanding a high premium to lend to South Korea, selling shares in state monopolies is one of the few ways the government can raise money to help cushion the effects of mounting unemployment.

The listing, on hold for more than a year, comes after the benchmark index rose 85 percent in four months. It will cover all 287.9 million of Korea Telecom's shares.

"We will step up our efforts to find a strategic partner, starting next month," said Ahn Byung Yuh, deputy minister of information and communications. A ministry spokesman, Lee Chae Ok, said the government aimed to find a foreign partner by next June.

The company's American depositary receipts could be floated in the United States in March, the deputy said.

The government owns 71.2 percent of Korea Telecom. It sold 28.8 percent of the company to domestic investors in recent years for prices from 38,000 won (\$31.48) to 47,100 won per share.

Those shares now trade at about 30,000 won per share. (Bloomberg, AFP)

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The data in the list above is the latest supplied by the fund groups to Standard & Poor's. It is collected and retransmitted into the list being transmitted to the IHT. Standard & Poor's does not warrant the quality or accuracy of the list, the data of the performance of the fund groups and will not be liable for the list, the data of fund group to any extent. This list is not and shall not be an offer by the IHT or Standard & Poor's to sell securities or investments of any kind. Investments can be as well as loss. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

Very briefly=

• **Lens**, a shareholder activist investment fund, agreed to merge with **Hermes Pensions Management Ltd.**, a unit of BT Pension Scheme, Britain's biggest pension fund manager. Lens, based in Portland, Maine, is already linked with Hermes through the joint venture in Britain.

Shareholders in the above fund are hereby informed that the currency of denomination of the fund is, until the 1st May 1999, the FF and not the DM as indicated in the notice published on 4th December 1998.

By Order of the Board of Directors.

December 14, 1999
<http://www.int.com/IHT/FUN/funds.htm>


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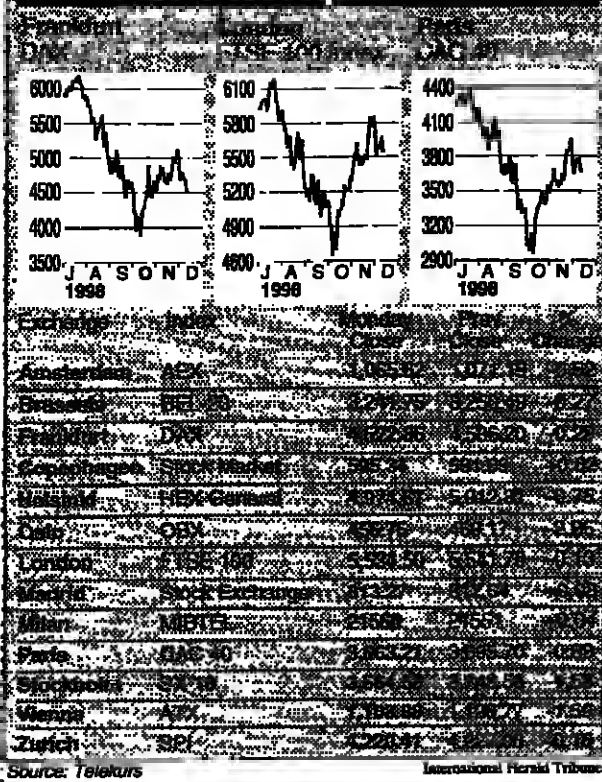
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CURRENCY

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EUROPE

Investor's Europe



Very briefly:

- Olivetti SpA and Mannesmann AG, eager to own more of Europe's No. 3 mobile-phone company, Omnitel Pronto Italia SpA, may have to raise their \$1.5 billion offer for Cellular Communications International Inc. Shares in CCI, which owns 10.3 percent of Omnitel and is based in New York, rose \$4.25 to \$66.25 Friday — above the offer of \$65.75 a share — and rose \$2.125 more in late trading Monday.
- Giovanni Agnelli & Co., the closely held holding company of the family that controls Fiat SpA, voted to boost its share capital by 21 percent.
- Romania agreed to sell 51 percent of Romanian Bank for Development SA, its fourth-largest bank, to Societe Generale SA of France for \$200 million.
- The European Central Bank said the euro-zone M-3 money supply grew at an annual rate of 4.8 percent in October, up from 4.3 percent in September.
- Adam Opel AG, the German unit of General Motors Corp., plans to invest 650 million Deutsche marks (\$394.1 million) at its plant in Kaiserslautern to produce an advanced light-alloy engine. Production at the plant is scheduled to start in 2001.

Bloomberg, Reuters

U.K. Utility Bids for U.S. Electric Unit

Compiled by Our Staff From Dispatches

LONDON — National Grid Group PLC became the second British electricity company within a week Monday to try to break into the U.S. market as it unveiled a \$4.6 billion bid for New England Electric System.

National Grid, which operates the English and Welsh electricity transmission networks, said it would pay \$53.75 for each New England Electric share and assume \$1.4 billion of the U.S. company's debt.

New England Electric shares rose by \$5.125 to \$48.125 in late trading on the New York Stock Exchange. National Grid shares finished at 488 pence (\$8.24), a drop of 10.5 pence in London trading.

The deal follows Scottish Power PLC's \$4.7 billion bid for PacifiCorp, which it tendered Dec. 7.

New England Electric, one of the leading electric utilities in the northeastern United States, would become a wholly-owned subsidiary of National Grid. The U.S. company serves about 1.3 million customers, mainly in the transmission and distribution of electricity in Massachusetts, Rhode Island and New Hampshire.

The British company had previously said it wanted to expand into the United States, the world's biggest electricity market, as the British sector becomes mature.

The National Grid chief executive, David Jones, said New England was attractive since deregulation was more advanced there than in other regions. (Reuters, Bridge News)

Paris May Cut Aerospatiale Stake to Aid Merger

Compiled by Our Staff From Dispatches

PARIS — The French government would be prepared to cut its stake in Aerospatiale if that would lead to the inclusion of the nation's biggest defense company in a merger with British Aerospace PLC and DaimlerChrysler Aerospace AG, the finance minister was reported as saying Monday.

Finance Minister Dominique Strauss-Kahn told the business daily Les Echos that the government would "reconsider" its plan to keep 48 percent of Aerospatiale.

British Aerospace and DaimlerChrysler Aerospace have said they would not consider joining forces with companies in which governments hold a stake.

Chris Avery, an aerospace ana-

lyst at Paribas in London, said Mr. Strauss-Kahn's comment comes "too late to get Aerospatiale back in the forefront of defense consolidation."

Mr. Avery expects British Aerospace and DaimlerChrysler Aerospace to combine early next year.

Talks between BAe and DaimlerChrysler Aerospace have forced other European companies to accelerate discussions on alliances aimed at cutting costs to offset a drop in defense spending.

General Electric Co., a British maker of defense, electronic and power equipment, said it has been in "intense" merger talks with several companies.

Aerospatiale itself — which is at present wholly state-owned — is

merging with other French defense companies.

In the article in Les Echos on Monday, Mr. Strauss-Kahn stopped short of pledging to sell all of the government's shares.

Rainer Ohler, a spokesman for DaimlerChrysler, said, "We'll only arrive at a European aerospace and defense company if we have the clear prospect that the state will withdraw fully from Aerospatiale."

A combination of the British and German defense companies would be simpler than a merger that included Aerospatiale, since both companies are publicly traded, analysts said.

The absence of government control will make it easier for the compa-

nies to reduce costs through plant closures and job cuts, they said.

As a result, the two companies, which already work together on the Eurofighter, Europe's best-selling combat jet, would be better placed to compete with their bigger U.S. rivals, Boeing Co. and Lockheed Martin Corp.

"We still insist that France will need to clearly commit itself to 100 percent privatization" before Aerospatiale can be considered as a partner in a broader European merger, said a DaimlerChrysler spokesman, Rainer Ohler.

But another spokesman for DaimlerChrysler said that the comments by Mr. Strauss-Kahn were "a step in the right direction." (Bloomberg, AFP)

Limit on Diamond Supply Hurts De Beers Sales

Compiled by Our Staff From Dispatches

LONDON — De Beers/Centenary AG, the world's biggest diamond miner and marketer, said Monday that 1998 sales fell to their lowest level in 11 years as its limited supply to keep prices from falling.

The Central Selling Organization, De Beers' marketing arm, said it sold \$3.35 billion worth of rough diamonds this year, compared with \$4.64 billion last year. The 1998 figure was the lowest since De Beers sold \$3.08 billion in 1987.

Hurt by slumping demand in Asia, De Beers has tried to stabilize prices by using its control of 70 percent of world sales of rough diamonds to restrict supply. Demand is especially low in Japan, which is suffering its worst recession in 50 years, Japanese consumers buy a fifth of all polished diamonds.

De Beers' second-half sales of \$1.65 billion were the lowest since 1984 and 7 percent lower than last year. De Beers shares closed Monday in Johannesburg at 76.8 rand

(\$12.90), down 30 cents.

The company sells its own rough diamonds and those it buys from other miners to diamond cutters, who process the gems for use in the jewelry and industrial markets. There is no benchmark price

for rough diamonds because there are several thousand grades of the stone. De Beers said it would continue its policy of restricting supply.

Roger Chaplin, an analyst at the stockbrokerage T. Hoare & Co., estimated the Central Selling Orga-

nization would end the year with a stockpile of \$5 billion worth of diamonds — equivalent to 18 months of sales. He added that poor sales and earnings would force De Beers to cut its 1998 dividend 30 percent. (Bloomberg, Reuters)

LVMH in Talks to Buy Fashion Unit of Sanofi

Compiled by Our Staff From Dispatches

PARIS — LVMH Moët Hennessy Louis Vuitton SA, the world's No. 1 luxury-goods maker, confirmed Monday that it was in talks to buy Sanofi SA's fashion and cosmetics unit, though the company said no agreement had been reached.

The statement followed a report in the French newspaper Le Figaro that LVMH agreed to buy the business, which includes the Yves Saint Laurent brand of clothing and perfumes, for about 5 billion francs (\$900.3 million) and an additional 1.2 billion francs in assumed debt.

LVMH and Sanofi would not comment on the terms.

Sanofi is selling the business as part of its planned merger with another French drug company, Synthelabo SA, whose parent L'Oréal was not interested in acquiring Sanofi's cosmetics division.

Sanofi had said last week that it was in talks with LVMH on the sale of the unit, which had sales of 4 billion francs last year.

The acquisition would allow LVMH, which owns the Christian Dior and Givenchy brands, to funnel more prestigious names through its

retail network, expanded last year with the acquisition of a majority stake in the retailer DFS Group.

The takeover could be poorly timed, however, since LVMH is dealing with losses at DFS and dwindling Asian sales, analysts said.

"This won't help LVMH's profitability in the short to medium term," said James Rasteh, a fund manager at Sierra Global Management in New York.

LVMH shares fell 56 francs to 1,015, while Sanofi shares rose 13 francs to 977. (Bloomberg, Reuters)

WORLD STOCK MARKETS

Monday, Dec. 14

Daily prices in local currencies.

Telephones

High Low Close Prev.

Amsterdam

AEX index: 3654.41

Previous: 3654.41

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ASIA/PACIFIC

China Plans To Accelerate Streamlining

BEIJING — China aims to make at least a third of its loss-making state-owned companies profitable next year by stepping up the pace of reforms, government-run media reported Monday.

At a senior-level government conference held over the weekend, Deputy Prime Minister Wu Bangguo urged further streamlining of state enterprises in 1999 to cut losses, the China Daily reported.

Mr. Wu called for tough measures to stop duplicate investments and for closing inefficient small mines, refineries and steel mills that waste energy and spew heavy pollution, the report said.

China also plans to draft new measures on writing off bad loans that will improve the efficiency of capital flow in state banks and channel funds to where they can be used best, the report said.

The country is trying to turn its debt-ridden state companies, which have long survived on easy credit from government banks, into corporations that can compete in world markets. Millions of excess workers in the huge state sector are being laid off.

Analysts estimate that about 40 percent of China's state companies are unprofitable.

Enterprises should improve technology, step up quality control and make products that are suited to market demand, Mr. Wu said.

Separately, the China Daily said a revision of the bankruptcy laws is needed because current measures have not been effective in halting the slide in state-sector profits.

Beijing Reins in Deficit

China's 1998 budget deficit is expected to come in under the target figure of 96 billion yuan (\$11.59 billion), Finance Minister Xiang Mubang was quoted Monday as saying, Agence France-Presse reported.

"Due to efforts to stimulate economic growth and allocate aid for laid-off workers and disaster-hit areas, the increase in expenditures has been outpacing revenues," the Xinhua news agency quoted Mr. Xiang as saying.

In the first ten months of the year, China's total revenues reached 344.48 billion yuan. Total expenditure over the same period was 346.41 billion yuan, the agency said.

Now Here's an Original Gift Idea

As Asia's Financial Crisis Persists, Shoppers Turn to Fakes

HONG KONG — Rolex watches, talking Teletubbies dolls and Calvin Klein boxer shorts will fill many Christmas stockings across Asia this year.

But watch out if the goodies are from Hong Kong. They may turn out to be Teletubbies, Roluxes and Gioven Kelvins.

As Asia's financial crisis persists, more holiday shoppers are turning to cheaper counterfeit products.

"People don't have as much money now," said Calvin Leung, head of intellectual property protection of the Customs and Excise Department.

"Do you know how much it is to buy a designer suit for your wife? And do you know how much you can save if you buy a copy?"

Shoppers from around the world know the answer.

"They're terribly fake," said Peter Schmidt, a German banker living here, who bought three counterfeit Ralph Lauren T-shirts from a hawk. Mr. Schmidt paid \$3.80 per shirt — compared with \$55 for the real thing.

"You can throw them away after one day," Mr. Schmidt said.

In the Temple Street night market, tourists, trendy teenagers and middle-aged shoppers browse at stalls selling clothing, toys, electronics, watches, inflatable couches and compact disks.

At one stall, cheap speakers blasted out "My Heart Will Go On," the theme song for the blockbuster film "Titanic." But "Celine Dion" was singing conspicuously a couple of keys too low and in a cold-stricken voice.

"This is the real thing," the vendor insisted.

Some of the goods look real enough to fool almost anyone. The \$18 counterfeit Prada wallets smell like leather. Each carries a bogus "certificate of authenticity."

Despite the heavy penalty — counterfeit dealers in Hong Kong can face fines of up to five years in prison — plenty of retailers are getting into the lucrative trade. Some of the newly unemployed are also at work selling fakes.

"I wouldn't do this if I could find a job," said a man selling bogus designer bags who gave only his first name, Rodrigo. "You go to jail if you get caught."

Rodrigo, 18, lost his job as a

waiter and now gets \$449 a month selling fakes.

The counterfeits in Hong Kong are mostly from mainland China, South Korea and Southeast Asia, Mr. Leung at the customs department said.

Hong Kong is also a conduit for shipping the goods into other markets, including Taiwan and Singapore, he said.

Singapore officials, fearing hard times will prompt people to buy fakes, launched a pre-Christmas campaign featuring the slogan: "Stop piracy! Be original! Buy original!"

In the first 10 months of 1998, Hong Kong customs officials arrested 619 people and seized counterfeit goods worth \$5.8 million.

But cracking down on piracy is difficult, Mr. Leung said.

Because Hong Kong is a relatively small market, many copy-right holders will not spend the money to sue pirates here. The government can do little without their help, Mr. Leung said.

"It is extremely easy to take a person to court," Mr. Leung said. "But how to prove to the court that the goods are fake is extremely difficult."

MCI WorldCom Bids to Buy Australian E-Mail Provider

SYDNEY — MCI WorldCom Inc. offered Monday to buy OzEmail Ltd., the biggest electronic-mail provider in Australia, to expand its presence in Asia.

The cash bid of \$20 million Australian dollars (\$32.3 million) won the conditional approval of three OzEmail directors who together own 54 percent of the company. Malcolm Turnbull, Sean Howard and Trevor Kennedy said they intended to accept WorldCom's offer unless they received a higher bid.

MCI WorldCom said OzEmail would become the Australian operating arm of its UUNET subsidiary if the bid was successful.

"The Asia-Pacific region is of key strategic importance to us and the synergies between OzEmail and MCI WorldCom are clear," said John Sidgmore, vice chairman of MCI WorldCom.

The number of Australian house-

holds that accessed the Internet in the six months to August jumped 46 percent to 1.24 million, or 18 percent of the population. OzEmail said the volume of electronic mail it processes for its subscribers had doubled in the past 90 days.

UUNET offers Internet services in more than 76 countries. OzEmail would be its first acquisition of an Internet service provider in the Asia-Pacific region.

Takeover talk has followed OzEmail since October, though the company is still posting losses even after customer numbers doubled in the past year to about 250,000. America Online Inc. was said to be interested in buying the company. Analysts said AOL, the world's largest online service provider, was struggling to gain subscribers after entering the Australian market in October.

OzEmail closed Monday at 3.58 dollars, up 19 cents.

(Reuters, Bloomberg)

Packer to Acquire Australian Casino

MELBOURNE — Kerry Packer said Monday he would buy Crown Ltd. through his Publishing & Broadcasting Ltd. company for about \$55 million, adding Australia's largest casino to his entertainment, media and sporting businesses.

Publishing & Broadcasting said it would offer one of its shares for every 11 Crown shares. The company will also buy Crown's converting preference shares held by Hudson Conway Ltd.

Crown has been looking for a way to cut its debt by about 1 billion dollars and speed the payment of a dividend to its shareholders. Crown did not say whether Publishing & Broadcasting would assume responsibility for the debt.

Manila Banks On Tokyo Aid For Airline

MANILA — Finance Secretary Edgardo Espinosa said the Philippine government was considering using a Japanese regional aid plan to raise the \$150 million needed to keep Philippine Airlines flying.

Finance Minister High Miyazawa drafted a plan in October in which Japan pledged \$30 billion to help Southeast Asian countries recover. Under the plan, a semi-government financial institution, would guarantee loans by Southeast Asian nations and would also purchase government bonds from those countries.

Philippines is hoping to receive as much as \$2 billion from the so-called Miyazawa plan, including guarantees on bond sales that could lower borrowing costs.

"Since PAL is a key utility firm," Mr. Espinosa said, "we will talk to the Japan Export-Import Bank and Overseas Economic Cooperation Fund for the \$150 million needed to make PAL viable."

A week ago, the carrier unveiled a rehabilitation plan that called for a capital infusion of \$150 million as well as rescheduling of \$2.2 billion in debt and a reduction of its fleet to 22 planes.

The airline's efforts to find a strategic partner so far have failed.

Talks with Cathay Pacific Airways and Northwest Airlines have broken down in recent weeks.

Cathay said this month that it had withdrawn from negotiations to buy a controlling stake because of disagreements over management control, job cuts and other issues.

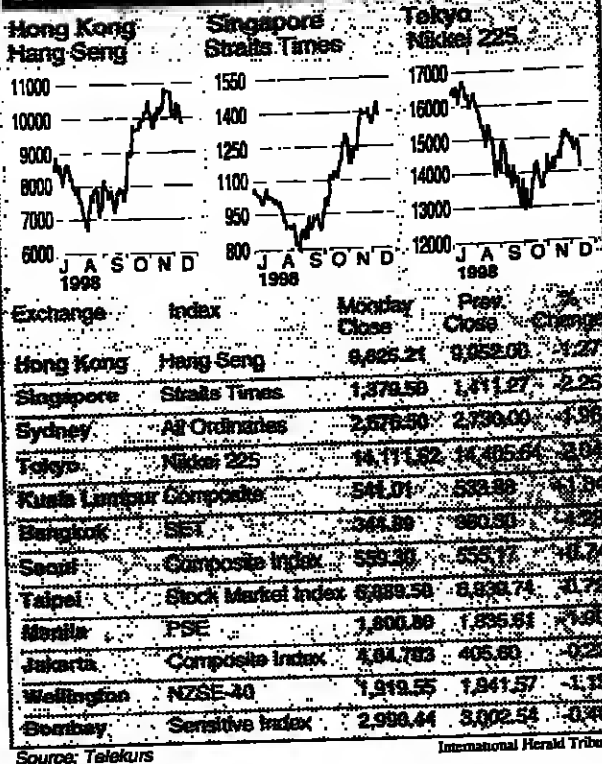
The chief financial officer of the Philippine flag carrier, Jaime Bautista, said at the time that talks with Northwest Airlines had "fizzled out" after Cathay Pacific reached a preliminary agreement Nov. 10 to buy a 40 percent stake and take management control of the airline.

Mr. Espinosa said the loans from Japan would be a prelude to the sale of an unspecified number of preferred shares that will be convertible into airline stock.

Philippine Airlines, Asia's oldest commercial airline, halted payments on \$2.2 billion in debts in June after a pilots' strike pushed the airline to the brink of collapse. It also suspended operations for two weeks starting Sept. 23 because of mounting losses and labor problems.

(Reuters, Bloomberg)

Investor's Asia



Very briefly:

- Samsung Electronics Co., the second-biggest publicly traded company in South Korea, turned to its shareholders for more cash for the third time since April, seeking to raise as much as \$20 billion won (\$430.8 million). Samsung is under government pressure to reduce its debt-to-equity ratio to 200 percent by the end of next year, or face a cutoff in fresh loans.
- The World Bank said it would lend as much as 90 percent of the cost of Philippine projects, the first time it has agreed to do so, boosting capital inflows into the country by as much as \$300 million. Previously, the World Bank limited financing to 60 percent to 70 percent of the cost, with the rest coming from the government.
- Guangzhou International Trust & Investment Corp., one of the financial arms of the southern Chinese city of Guangzhou in Guangdong Province, missed a \$5 million payment on a letter of credit last week. The payment on the 360-day commercial debt should have been rendered to a U.S.-based multinational on Dec. 7. The multinational has not been named and the terms of the debt were not disclosed.
- Mondragon International Philippines Inc.'s golf-and-casino resort was seized by the Philippine government in an escalating battle over the operations of Mimosa Leisure Estate, State-run Clark Development Corp. said it terminated Mondragon's lease and took over Mimosa's assets because the developer failed to build a water park and five-star hotel as promised.
- PT Astra International, Indonesia's largest automaker, suffered a setback in its push to restructure its \$1.4 billion in debt as creditors rejected its move to halt interest payments. The company defaulted on the debt in October, saying it may need to suspend payments for as long as two years.
- PT Indosat, Indonesia's international phone firm, plans to sell 17 percent of the company to a foreign buyer through a share issue and the government's reduction of its majority stake.
- Malaysian industrial output rose 5.5 percent in October from a month earlier, the first gain in three months, as lower interest rates helped boost manufacturing.

NYSE Monday's 4 P.M. Close (Continued)

Symbol	Price	Symbol	Price	Symbol	Price	Symbol	Price
IBM	125.12	MSFT	34.12	GOOG	20.12	AMZN	15.12
APPL	110.12	ORCL	25.12	CRM	18.12	INTC	22.12
HPQ	35.12	QCOM	30.12	TXN	12.12	AMD	10.12
DELL	28.12	WDC	15.12	IBM	125.12	MSFT	34.12
HPQ	35.12	QCOM	30.12	TXN	12.12	AMD	10.12
DELL	28.12	WDC	15.12	IBM	125.12	MSFT	34.12
HPQ	35.12	QCOM	30.12	TXN	12.12	AMD	10.12
DELL	28.12	WDC	15.12	IBM	125.12	MSFT	34.12
HPQ	35.12	QCOM	30.12	TXN	12.12	AMD	10.12
DELL	28.12	WDC	15.12	IBM	125.12	MSFT	34.12

Bijoux cœurs Piaget d'or

An 18 carat yellow, pink or white gold heart is the keynote of this collection. Solid and refined for the pendant, set with fine stones or paved with diamonds for the rings, delicate and slender for the bracelets.

PIAGET

MAÎTRE JOAILLER À GENÈVE

PIAGET Boutiques: Geneva - Paris - Monaco - Barcelona - London - New York - Hong Kong - Singapore - Kuala Lumpur - Mumbai and at the best jewellers throughout the world.

The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

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一、本會之宗旨，在於研究我國經濟，以謀國家之富強，及社會之進步。凡我會員，均應以此為共同之目標。

二、本會之組織，分為常務委員會及會員大會。常務委員會由本會發起人推選，負責處理本會一切事務。會員大會由全體會員組成，為本會之最高權力機關。

三、本會之經費，由會員繳納會費，及社會各界之捐助。凡我會員，應踴躍繳納會費，以支持本會之運作。

四、本會之活動，包括學術研究、出版刊物、舉辦講座、及社會服務等。凡我會員，應積極參與，以發揮本會之影響力。

五、本會之會址，設於本市中正路一二三號。凡我會員，如有任何疑問，請逕向本會秘書處洽詢。

中華民國三十三年一月一日

[The page contains two columns of dense handwritten notes in cursive script.]

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姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	工人	天津	
李德胜	男	35	河北	工人	天津	
张德胜	男	25	河南	工人	天津	
赵德胜	男	15	山西	工人	天津	
刘德胜	男	55	陕西	工人	天津	
孙德胜	男	40	甘肃	工人	天津	
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姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	工人	济南市	
李秀英	女	38	河北	教师	石家庄市	
张国强	男	52	河南	农民	郑州市	
刘小红	女	28	四川	医生	成都市	
陈为民	男	60	广东	商人	广州市	
赵子龙	男	35	湖北	学生	武汉市	
周大伟	男	48	浙江	工程师	杭州市	
吴小芳	女	32	安徽	护士	合肥市	
孙建国	男	55	江西	公务员	南昌市	
郑晓琳	女	25	福建	记者	福州市	
冯志强	男	40	湖南	律师	长沙市	
马小梅	女	30	广西	会计	南宁市	
徐文杰	男	50	山西	教授	太原市	
黄丽娟	女	35	陕西	作家	西安市	
郭为民	男	42	甘肃	司机	兰州市	
李国强	男	58	宁夏	退休	银川市	
王小红	女	22	青海	学生	西宁市	
张为民	男	45	新疆	商人	乌鲁木齐市	
刘志强	男	38	内蒙古	教师	呼和浩特市	
陈小红	女	30	吉林	护士	长春市	
孙建国	男	50	辽宁	工人	沈阳市	
郑晓琳	女	28	黑龙江	学生	哈尔滨市	
冯志强	男	40	河北	工程师	石家庄市	
马小梅	女	32	山东	教师	济南市	
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刘志强	男	50	辽宁	工人	沈阳市	
陈小红	女	28	黑龙江	学生	哈尔滨市	

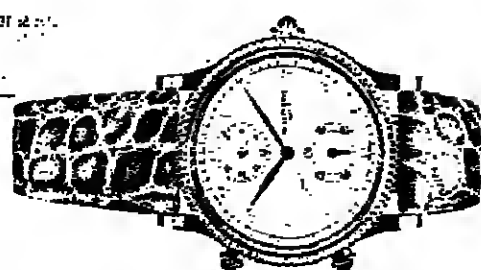
一、本會為維護會員權益，特訂定本會章程，凡加入本會者，均須遵守。
 二、本會之宗旨，在於促進會員間之交流與合作，共同發展。
 三、本會之組織，由會員大會、理事會及監事會組成。
 四、本會之經費，由會員繳納會費及社會捐助。
 五、本會之活動，包括學術研討、展覽、出版刊物等。
 六、本會之服務，包括提供資訊、技術支援及法律諮詢。
 七、本會之榮譽，包括頒發獎狀、證書及會員牌。
 八、本會之紀律，包括對違反章程者之處分。
 九、本會之修改，由會員大會通過。
 十、本會之生效，自通過之日起。

[illegible][illegible]

品名	数量	單位	價格	合計
上等白米	100	石	1.50	150.00
中上白米	80	石	1.20	96.00
中下白米	60	石	1.00	60.00
下等白米	40	石	0.80	32.00
糯米	20	石	1.80	36.00
大豆	100	石	0.50	50.00
小豆	50	石	0.40	20.00
綠豆	30	石	0.30	9.00
黃豆	20	石	0.20	4.00
黑豆	10	石	0.10	1.00
芝麻	50	石	0.60	30.00
花生	40	石	0.50	20.00
菜油	100	石	2.00	200.00
菜子	80	石	1.50	120.00
棉花	100	石	3.00	300.00
布匹	100	石	1.00	100.00
紙張	100	石	0.50	50.00
煤炭	100	石	1.00	100.00
木材	100	石	2.00	200.00
鐵器	100	石	1.00	100.00
銅器	100	石	1.50	150.00
銀器	100	石	2.00	200.00
金器	100	石	3.00	300.00
珠寶	100	石	4.00	400.00
古玩	100	石	5.00	500.00
書籍	100	石	0.50	50.00
文具	100	石	0.20	20.00
藥品	100	石	1.00	100.00
食物	100	石	0.50	50.00
飲料	100	石	0.20	20.00
日用品	100	石	0.50	50.00
其他	100	石	0.50	50.00
合計	1000	石	1.00	1000.00



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NYSE

Monday's 4 P.M. Close
(Continued)

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THE AMERICAS

RJR to Cut Jobs, Seeing Lower Sales

The Associated Press

NEW YORK — RJR Nabisco Holdings Corp., the parent of the second-biggest U.S. tobacco company, said Monday it was cutting 3,900 tobacco jobs worldwide, nearly 16 percent of its cigarette work force.

The cuts by the maker of Winston and Camel cigarettes include about 1,000 jobs in the United States, where fewer cigarettes are expected to be sold following the price increase last month of 45 cents per pack — a result of the industry's \$206 billion settlement with states over health claims.

The new layoffs will be in addition to 315 job cuts in the United States that the R.J. Reynolds Tobacco division announced last month.

"We knew when we agreed to resolve the state tobacco litigation that the domestic tobacco company would have to make enormous sacrifices financially and operationally," said Steven Goldstone, chief executive of RJR Nabisco Holdings.

The remaining 2,900 job cuts will be in Russia and the other former Soviet states, where RJR says the economic turmoil is making smokers seek cheaper brands. RJR employs 8,800 people in its U.S. tobacco operations and 16,000 overseas.

Meanwhile, Nabisco Holdings Corp., which is 80.6 percent owned by RJR, said it would eliminate about 1,500 jobs and close plants, mostly overseas, in the second phase of a restructuring aimed at making the food company more competitive.

As a result of the moves in the tobacco and food businesses, RJR expects to take a charge of \$348 million, or \$1.07 a share, against earnings in the fourth quarter. It said the savings could reach \$175 million a year beginning in 2000. RJR shares closed up 50 cents, \$28.8125.

Martin Feldman, tobacco analyst at Salomon Smith Barney, said he doubted that the tobacco industry leader, Philip Morris Cos., would cut jobs on the scale that RJR has. He noted that Philip Morris offered early retirement incentives recently in anticipation of a settlement.

Fears About Profits and Politics Hit Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Monday, weighed down by earnings disappointments and U.S. political uncertainties. Some analysts said the market was due for a breather after a steady autumn recovery.

"Perhaps fundamentals are now catching up with reality," said Charles White, president of Avatar Associates in New York. Companies that are part of the S&P 500 index traded at an average 30 times their earnings for the past 12 months, a record, according to First Call Corp.

The Dow Jones industrial average closed down 126.16 points, or 1.4 percent, at 8,695.60.

Broader stock indicators also fell. The Nasdaq composite index fell 62.59 points, or 3 percent, to 1,966.72 as investors sold off high-flying computer stocks.

"People have a lot of gains, and it wouldn't surprise me to see them taking money off of the table with some of these stocks at new highs," said Walter Price, a fund manager.

U.S. STOCKS

with Dresdner RCM Global Investors in San Francisco.

The Standard & Poor's 500-stock index fell 25.28 points, or 2.2 percent, to 1,141.18. Mattel tumbled after it became the latest company to warn of profit shortfalls. The world's biggest toy maker was the most active stock in U.S. trading, and the biggest loser in the Standard & Poor's 500 Index.

"Earnings estimates across the board are too high," considering that world economic growth is slowing, said John Cleland, chief investment officer at Security Benefit Group of Co. "The market is just going to decimate any company that disappoints."

Investors were also concerned that the impeachment proceedings against President Bill Clinton would hobble his leadership of the world's largest economy.

Last week, I.P. Morgan, Coca-Cola, Merck and other companies declined after warning investors that earnings would not meet forecasts.

U.S. bonds rose as investors sought an alternative to stocks. The price of the benchmark 30-year Treasury bond rose 22/32 to 104 7/32, pushing its yield down to 4.98 percent from 5.02 percent.

Concern that the Clinton proceedings and the slowdown in the world economy will push the market lower has prompted investors to sell stocks that have posted gains recently.

Shares of some local telephone companies fell as the Federal Communications Commission considered whether to allow Bell Atlantic's \$79 billion acquisition of GTE and SBC Communications' \$79 billion purchase of Ameritech.

Consumer advocates and some competitors urged the commission at hearings Monday to block the transactions. At Atlantic, GTE, SBC and Ameritech all fell. Together, the four companies would control two-thirds of local phone lines in the United States. (AP, Bloomberg)

Dollar Falls Against Yen for a 5th Day

Bloomberg News

NEW YORK — The dollar fell for a fifth straight trading day against the yen Monday on concern over the Japanese government's move to take over Nippon Credit Bank in a move seen as a sign the government was serious about cleaning up the banking industry, burdened by more than 72 trillion yen (\$617.39 billion) in risky loans.

The dollar extended those losses as U.S. stocks declined. Japan's government said Sunday that it would take over Nippon Credit Bank in a move seen as a sign the government was serious about cleaning up the banking industry, burdened by more than 72 trillion yen (\$617.39 billion) in risky loans.

The possibility of a Clinton impeachment is bearish for the dollar, while the Nippon takeover is quite positive for the banking industry in Japan, said Ku Shin, director of

Asian economic analysis at First Chicago NBD Corp. in Chicago. "Japanese policy on banks is getting tougher and tougher."

"The outlook for the dollar is generally bearish," said Diego Gindelo,

FOREIGN EXCHANGE

manager of foreign exchange at Royal Bank of Canada. "There's a sense Japan acted quickly on Nippon. That's remarkable in light of how long and drawn out decisions are made in Japan."

The dollar was quoted at 115.525 yen at 4 P.M., down from 116.62 at the end of the day on Friday.

The dollar eased to 1.6480 Deutsche marks from 1.6495 DM. The dollar was also at 5.5275 French francs, up from 5.5275, and at 1.3269 Swiss francs, down from

1.3285 francs. The pound rose to \$1.6935 from \$1.6890.

In Japan, the government's move to take over Nippon instilled confidence that legislators were committed to cleaning up the troubled banking system more swiftly than expected.

"This shows that the bank reform has a little teeth to it," said Jamie Coleman, a senior analyst at Thomson Global Markets in Boston. "The Japanese have said enough is enough. In the past, something like this would have dragged on forever."

A report Monday showing Japanese business confidence had fallen failed to offset the dollar's losses. The headline index in the Bank of Japan's closely followed quarterly tankan survey fell to minus 56, as expected, worse than the minus 51 in the last survey in September.

Hughes Buys Broadcaster

Bloomberg News

EL SEGUNDO, California — Hughes Electronics Corp., owner of DirecTV, the No. 1 U.S. satellite television company, agreed Monday to buy a smaller rival, U.S. Satellite Broadcasting Co., for about \$1.3 billion.

Hughes, a unit of General Motors Corp., will pay \$14.44 a share in either cash or stock for U.S. Satellite.

The move comes after EchoStar Communications Corp., the No. 3 U.S. satellite company, agreed to buy the satellite assets of News Corp. and MCI WorldCom Inc. to increase its service to 500 channels. With U.S. Satellite, DirecTV will add Home Box Office and 24 other channels to its 185 channels.

Hughes has wanted to buy USSB for a long time, said Armand Mossey, an analyst at CEI Energy Towbin, who has a "neutral" rating on USSB shares. "Now Hughes is super-motivated to ante up because of EchoStar."

The shares of Hughes fell \$1.5625 to \$36.6875 Monday, while U.S. Satellite rose \$2.8125 to \$12.4375.

Last week, U.S. Satellite shares rose 38 percent as some investors speculated Hughes would buy the company. The No. 2 satellite-TV provider is Primstar Inc. U.S. Satellite is No. 4 based on annual revenue.



Source: Bloomberg, Reuters

Very briefly:

- Microsoft Corp. will invest \$200 million in Qwest Communications Corp. as part of a strategic relationship between the two companies that will see Qwest launch a business services network in early 1999.
- Oracle Corp. and Sun Microsystems Inc. confirmed they would license each other's software to create new server appliances that will essentially bypass Microsoft Corp.'s Windows NT operating system.
- Placer Dome Inc. of Canada said it would buy Getchell Gold Corp. for about \$1.09 billion in stock, bolstering the U.S. presence of North America's third-largest gold producer.
- American Oncology Resources Inc. and Physician Reliance Network Inc., two of the largest U.S. operators of cancer treatment centers, announced a \$715 million merger to create a company that could treat 13 percent of all new cancer patients in the United States. The deal will form the largest cancer treatment company in the country.
- Sky Financial Group Inc. said it would buy First Western Bancorp Inc. for about \$434 million in stock as it expands its banking business in Pennsylvania. Reuters, Bloomberg

Weekend Box Office

LOS ANGELES — "Star Trek: Insurrection" dominated the U.S. box office over the weekend, with a gross of \$22.4 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

	Paradise	11th
1. Star Trek: Insurrection	\$22.4 million	\$11 million
2. A Bug's Life	\$11 million	\$7 million
3. Jack Frost	\$7 million	\$4.5 million
4. Enemy of the State	\$4.5 million	\$3.5 million
5. The Rugrats Movie	\$3.5 million	\$2.5 million
6. The Waterboy	\$2.5 million	\$2.5 million
7. Psychic	\$2.5 million	\$2.5 million
8. Bad Boys II	\$2.5 million	\$2.5 million
9. M. Night Shyamalan	\$2.5 million	\$2.5 million
10. E.T. the Extra-Terrestrial	\$2.5 million	\$2.5 million

The Trib Index				
Index	Level	Change	% Change	Year to Date % Change
World Index	191.89	-0.20	-0.10	+11.49
Regional Indices				
Asia/Pacific	89.89	-0.09	-0.10	-6.43
Europe	222.49	+0.02	+0.01	+15.28
N. America	268.50	-0.70	-0.26	+24.31
S. America	79.21	+0.32	+0.41	-48.12
Industrial Indices				
Capital goods	274.31	-1.99	-0.72	+32.79
Consumer goods	237.38	+0.16	+0.07	+13.19
Energy	198.11	-0.06	-0.03	+1.82
Finance	131.62	-0.11	-0.08	+7.04
Miscellaneous	179.68	+0.16	+0.09	+19.88
Raw Materials	158.65	+0.40	+0.25	-5.14
Services	203.70	+0.18	+0.09	+16.86
Utilities	178.53	+0.08	+0.04	+6.89

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 200 internationally investable stocks from 22 countries. Compiled by Bloomberg News.

U.S. STOCK MARKET DIARY

Dow Jones				
Index	Level	Change	% Change	Year to Date % Change
Dow Jones	8697.40	-126.16	-1.4	+11.49
Industrial	2743.10	-19.9	-0.7	+32.8
Transportation	2373.80	+16	+0.7	+13.2
Utilities	1785.30	+8	+0.4	+6.9
Financial	131.62	-0.11	-0.08	+7.0
Energy	198.11	-0.06	-0.03	+1.8
Consumer Goods	237.38	+0.16	+0.07	+13.2
Capital Goods	274.31	-1.99	-0.72	+32.8
Raw Materials	158.65	+0.40	+0.25	-5.1
Services	203.70	+0.18	+0.09	+16.9
Utilities	178.53	+0.08	+0.04	+6.9

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 200 internationally investable stocks from 22 countries. Compiled by Bloomberg News.

INTERNATIONAL FUTURES

Dec. 14, 1998				
High	Low	Settle	Open	Close
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50

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15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50
15-MONTH FRENCH GOV. BONDS (MAT1F)	112.50	112.50	112.50	112.50

Monday's 4 P.M. Close

The 200 most traded stocks of the day, up in the closing on Wall Street. The Associated Press.

Monday's 4 P.M. Close				
The 200 most trusted stocks of the day, up in the closing on the Wall Street. The Associated Press.				
Stock	High	Low	Settle	Open
IBM	124.50	124.00	124.00	124.00
Microsoft	54.00	53.50	53.50	53.50
Apple	45.00	44.50	44.50	44.50
Oracle	35.00	34.50	34.50	34.50
Sun	25.00	24.50	24.50	24.50
Amazon	15.00	14.50	14.50	14.50
Google	10.00	9.50	9.50	9.50
Yahoo	8.00	7.50	7.50	7.50
Alibaba	5.00	4.50	4.50	4.50
Netflix	3.00	2.50	2.50	2.50
Spotify	2.00	1.50	1.50	1.50
Twitter	1.00	0.50	0.50	0.50
Facebook	0.50	0.25	0.25	0.25
LinkedIn	0.25	0.125	0.125	0.125
Slack	0.125	0.0625	0.0625	0.0625
Zoom	0.0625	0.03125	0.03125	0.03125
Dropbox	0.03125	0.015625	0.015625	0.015625
Evernote	0.015625	0.0078125	0.0078125	0.0078125
OneDrive	0.0078125	0.00390625	0.00390625	0.00390625
Box	0.00390625	0.001953125	0.001953125	0.001953125
Google Drive	0.001953125	0.0009765625	0.0009765625	0.0009765625
Dropbox	0.0009765625	0.00048828125	0.00048828125	0.00048828125
OneDrive	0.00048828125	0.000244140625	0.000244140625	0.000244140625
Box	0.000244140625	0.0001220703125	0.0001220703125	0.0001220703125
Google Drive	0.0001220703125	0.00006103515625	0.00006103515625	0.00006103515625
Dropbox	0.00006103515625	0.000030517578125	0.000030517578125	0.000030517578125
OneDrive	0.000030517578125	0.0000152587890625	0.0000152587890625	0.0000152587890625
Box	0.0000152587890625	0.00000762939453125	0.00000762939453125	0.00000762939453125
Google Drive	0.00000762939453125	0.000003814697265625	0.000003814697265625	0.000003814697265625
Dropbox	0.000003814697265625	0.0000019073486328125	0.0000019073486328125	0.0000019073486328125
OneDrive	0.0000019073486328125	0.00000095367431640625	0.00000095367431640625	0.00000095367431640625
Box	0.00000095367431640625	0.000000476837158203125	0.000000476837158203125	0.000000476837158203125
Google Drive	0.000000476837158203125	0.0000002384185791015625	0.0000002384185791015625	0.0000002384185791015625
Dropbox	0.0000002384185791015625	0.00000011920928955078125	0.00000011920928955078125	0.00000011920928955078125
OneDrive	0.00000011920928955078125	0.000000059604644775390625	0.000000059604644775390625	0.000000059604644775390625
Box	0.000000059604644775390625	0.0000000298023223876953125	0.0000000298023223876953125	0.0000000298023223876953125
Google Drive	0.0000000298023223876953125	0.00000001490116119384765625	0.00000001490116119384765625	0.00000001490116119384765625
Dropbox	0.00000001490116119384765625	0.0000000074505805968953125	0.0000000074505805968953125	0.0000000074505805968953125
OneDrive	0.0000000074505805968953125	0.00000000372529029844765625	0.00000000372529029844765625	0.00000000372529029844765625
Box	0.00000000372529029844765625	0.000000001862645149223828125	0.000000001862645149223828125	0.000000001862645149223828125
Google Drive	0.000000001862645149223828125	0.0000000009313225746119140625	0.0000000009313225746119140625	0.0000000009313225746119140625
Dropbox	0.0000000009313225746119140625	0.00000000046566128730595703125	0.00000000046566128730595703125	0.00000000046566128730595703125
OneDrive	0.00000000046566128730595703125	0.000000000232830643652978515625	0.000000000232830643652978515625	0.000000000232830643652978515625
Box	0.000000000232830643652978515625	0.0000000001164153218264892578125	0.0000000001164153218264892578125	0.0000000001164153218264892578125
Google Drive	0.0000000001164153218264892578125	0.00000000005820766091324462890625	0.00000000005820766091324462890625	0.00000000005820766091324462890625
Dropbox	0.00000000005820766091324462890625	0.000000000029103830456622314453125	0.000000000029103830456622314453125	0.000000000029103830456622314453125
OneDrive	0.000000000029103830456622314453125	0.00000000001455191522831117265625	0.00000000001455191522831117265625	0.00000000001455191522831117265625
Box	0.00000000001455191522831117265625	0.00000000000727595	0.00000000000727595	0.00000000000727595

SPORTS

Chile, Bolivia and Mexico Crown Their Champions

RIO DE JANEIRO — Three Latin American championships were decided at the weekend. Colo Colo won the title in Chile, Necaxa in Mexico and Blooming in Bolivia.

WORLD SOCIETY — Colo Colo of Santiago won the league for the third year running when Francisco Rojas scored in the winning moments of the last match to give it a 2-1 victory over Deportivo Iquique.

Colo Colo needed to win after Universidad de Chile beat Anderlecht 3-2, in its last game Saturday.

Necaxa of Mexico City won 2-0, Guadalajara to claim the Mexican Invitational championship.

Guadalajara, which fields only Mexican players, needed only to draw the second leg of the final but conceded second half goals to Salvador Calles and the Uruguayan Sergio Vazquez that gave Necaxa a 2-0 victory and third title in a decade.

Blooming, from the eastern city of Santa Cruz, won the championship, beating

Wilstermann, 1-0, away in the second leg after a 3-0 home victory last week.

Corinthians fought back from two goals down to draw, 2-2, away to Cruzeiro in the first leg of the Brazilian championship final.

Corinthians will play the remaining two matches of the three-leg final at home and only need to draw both games to win the championship, as they have the better first-stage record in the competition.

Muller and Valdo gave Cruzeiro a two-goal lead in Belo Horizonte. Dinei, a replacement, and Marcelinho, a temperamental striker who has only just been brought back into the team after a row with the coach, Vanderley Luxemburgo, forced a draw for Corinthians with two goals in six minutes.

PARU Allianz and Sporting Cristal both won to finish level on points and goal difference at the top in the Clausura, the second stage of the championship. They will meet in a playoff on Wednesday.

Allianza beat Aurich, 2-1, and Cristal beat Municipal, 7-2. Sport Boys, who began the day as leader, drew, 0-0, at Cienciano and finished third on goal difference.



Turkmenistan's Konstantin Sosenko hitting Li Jinyu.

Budding Bribery Scandal Tests Olympic Committee

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — It required something remarkable to reduce doping to a minor topic at an International Olympic Committee meeting. It required evidence of bribery within the IOC.

There have long been allegations, suggestions and assumptions of corruption among the membership.

The IOC, after all, is one of the world's most exclusive and visible clubs, and exclusive clubs have a habit of fostering envy.

VANTAGE POINT

even animosity among two members. All the more reason for the fortunate few to be above reproach.

"We ask athletes to compete with integrity, and we ask members of the IOC to act the same way," said Anita DeFranz, an American who is an IOC vice-president.

Not all athletes have answered the call, and neither have all the members, which is no surprise in light of human nature but certainly no excuse. The difference this time is that there appears to be proof in the form of scholarship and training assistance fund created by the bid committee from Salt Lake City that benefited at least six relatives of IOC members.

"Personally, and I expect I speak for a huge majority of IOC members, I don't like this to be out there but I'm glad it is," said Dick Pound, an IOC vice president. "Because it gives us an opportunity to look into it and hopefully that opportunity will put a chapter that appears to be somewhat disagreeable behind us."

Pound, a potential candidate for the IOC presidency if Juan Antonio Samaranch ever vacates the post, has a role to play in the weeks ahead as head of the commission appointed to investigate the scholarship fund and, more importantly, its beneficiaries.

While it is somewhat reassuring that the IOC has rapidly appointed a commission brimming with able lawyers, it would be much more reassuring if the IOC had uncovered the fund's existence on its own, instead of relying on the work of a Salt Lake City television station.

That the IOC had found nothing rotten with the state of Olympic bidding means that it could not have been searching terribly hard. Yes, the IOC has changed its system, removing some of the dining and wining and waste by having an evaluation commission pare down the lists of candidates and by strictly defining gift limits. Yes, the IOC has de-briefed bidding teams after votes in an attempt to monitor the process.

"The problem is that information is limited," said Marc Hodler, the Swiss IOC member who has alleged that corruption in bidding is hardly confined to Salt Lake City. "The winner never says anything because they have a bad conscience. The losers only give information if they have decided never to run again."

This, Pound insists, is the first time the IOC has a paper trail. It must take full advantage, or risk doing further damage to its credibility. It will pick another Olympic city next June to Seoul when it votes for the 2006 Winter Games host. Any reform in the electoral process will come too late for that vote.

The front-runner is Sion, Switzerland — a bid that Hodler supports but did not necessarily help with some of his allegations. It would have been better if he alleged less and proved more. The mystery is that he waited until after his 80th birthday to speak openly about his belief that corruption exists in the IOC. He was president of the International Ski Federation for 47 years without ever being quite as provocative.

Hodler, who is president of the IOC coordination committee for the 2002 Games, said Monday that he spoke out because of a recent conversation with a friend and because he did not want Salt Lake City to take all the blame when it was hardly alone and had been so quick to cooperate.

Where that cooperation leads will be fascinating. Pound said Monday that his committee hoped to complete its work by the end of January, just before the executive board meets on the eve of the world conference on doping in Lausanne. Pound's timetable is a good one. It would be best to address one major problem with the Olympic movement before moving on to the biggest.

After Slow Start, Japan's Ito Wins 100 Meters

BANGKOK — Koji Ito of Japan recovered from a slow start Monday to win the men's 100 meters at the Asian Games.

Susantika Jayasinghe of Sri Lanka, slipped in the women's 100, didn't start at all. After pulling a hamstring in Sunday's semifinals she missed the final Monday. But other runners gave Sri Lanka its first two Asian Games medals in 24 years — within less than an hour.

In the men's 100 meters, Ito was the slowest out of the blocks, but recovered to win in 10.05 seconds. South Korea's Yoonchul of Thailand edged Japan's Yasukuni in a photo finish for the silver medal in a photo finish.

Both clocked 10.31.

In the women's 100, Li Xuemei, the Asian record holder from China, won in a wind-aided 11.05 seconds, ahead of teammate Li Yali.

Sri Lanka's Jayasinghe and the men's 400 meters, Danyan-anthi Darsana won the women's race

ASIAN GAMES

in 51.57 seconds, comfortably ahead of Chen Yuxiang of China. P. T. Usha of India finished sixth in 54.37 in a return to the track. Usha had retired eight years ago.

In the next race, Sugath Thillekane held off Ibrahim Faraj of Qatar to win the men's 400 meters in 44.99.

India and Qatar won their first golds of the games, in the women's and men's 1,500-meter races.

In the women's race, Jyotirmoy Sirdhar outpaced Wang Qingfen of China. Mohammed Taib of Qatar won the men's 1,500 for the third successive games.

In soccer, Thailand, playing with nine men, upset South Korea in the quarterfinals Monday, 2-1, on That-wachai Damrong-Ongtrakul's 40-minute goal six minutes into extra time. Wirawoot Simakha, a Thai striker, was sent off in the 54th minute, provoking an outbreak of plastic-bottle throwing by home fans.

After the Thais took the lead, Surachi Jaturapatirapong was sent off in the

86th minute and South Korea leveled with a free kick.

Iran joined the Thais in the semifinals with a 4-0 victory over Uzbekistan. Ali Daei, who plays for Bayern Munich, scored three goals within seven minutes in the second half. China beat Turkmenistan, 3-0, and Kuwait beat Qatar in a penalty shootout, 3-1, after 150 minutes of scoreless play.

China, which won three other track-and-field golds and the mixed-doubles table tennis, boosted its total for the games to 84 gold medals. But, for the second consecutive day, South Korea was the biggest winner, adding seven golds, including three in Greco-Roman wrestling, to lift its total to 43.

SCOREBOARD

ASIAN GAMES

Men's 100 Meters	Women's 100 Meters
1. Koji Ito, Japan, 10.05	1. Li Xuemei, China, 11.05
2. Yoonchul, Thailand, 10.31	2. Li Yali, China, 11.05
3. Yasukuni, Japan, 10.31	3. Chen Yuxiang, China, 11.05
4. ...	4. ...

Men's 100 Meters

Men's 100 Meters	Women's 100 Meters
1. Koji Ito, Japan, 10.05	1. Li Xuemei, China, 11.05
2. Yoonchul, Thailand, 10.31	2. Li Yali, China, 11.05
3. Yasukuni, Japan, 10.31	3. Chen Yuxiang, China, 11.05
4. ...	4. ...

Men's 100 Meters

Men's 100 Meters	Women's 100 Meters
1. Koji Ito, Japan, 10.05	1. Li Xuemei, China, 11.05
2. Yoonchul, Thailand, 10.31	2. Li Yali, China, 11.05
3. Yasukuni, Japan, 10.31	3. Chen Yuxiang, China, 11.05
4. ...	4. ...

Men's 100 Meters

Men's 100 Meters	Women's 100 Meters
1. Koji Ito, Japan, 10.05	1. Li Xuemei, China, 11.05
2. Yoonchul, Thailand, 10.31	2. Li Yali, China, 11.05
3. Yasukuni, Japan, 10.31	3. Chen Yuxiang, China, 11.05
4. ...	4. ...

BASKETBALL

U.S. COLLEGE SCORES

Men	Women
1. Michigan 77-61	1. Connecticut 81-71
2. ...	2. ...

GOLF

END OF YEAR RANKINGS

Men	Women
1. Tiger Woods, U.S., 112.00	1. LPGA Tour, 112.00
2. ...	2. ...

CRICKET

AUSTRALIA VS. ENGLAND

Men	Women
1. Australia 281-200	1. ...
2. ...	2. ...

TRANSITIONS

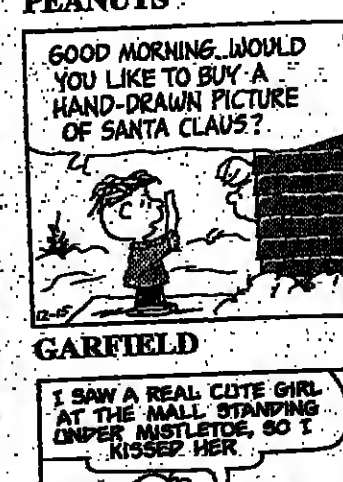
BASEBALL

Men	Women
1. ...	1. ...
2. ...	2. ...

DENNIS THE MENACE



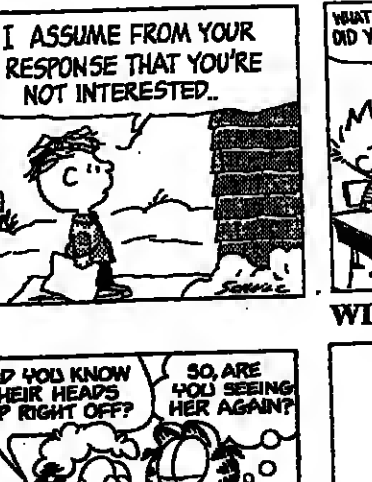
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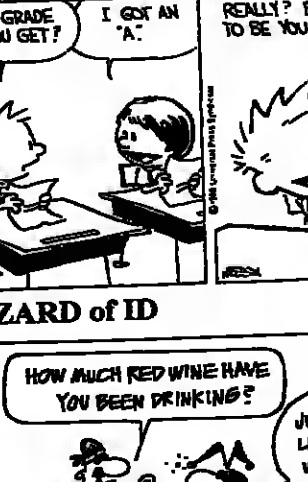
SLAM!



WIZARD OF ID



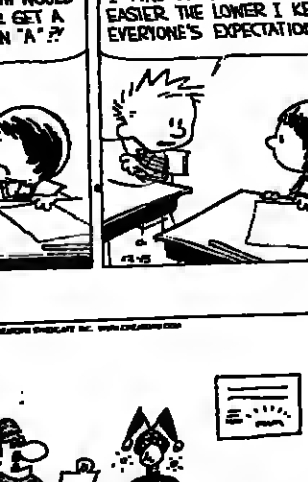
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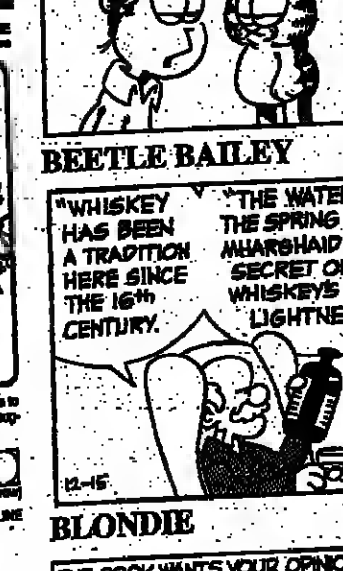
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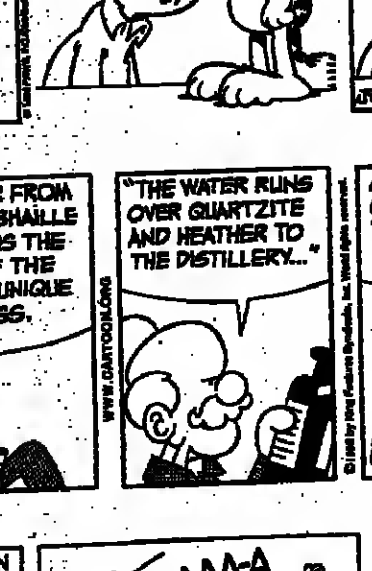
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ART BUCHWALD

A Merry Merger to You

NEW YORK — It has just been announced that the Christmas season will merge with Valentine's Day in one of the greatest financial deals of all time. Originally, Christmas tried to merge with Hanukkah, but the Grand Rabbi of the North Pole turned it down.

So Santa Claus, the CEO of Christmas Inc., looked for another likely prospect and found one in Valentine's.

"It's a perfect fit," Santa said. "We both deal in love. They are big in greeting cards, and we are strong in Barbie dolls."

The price was \$40 billion. North Pole Christmas executives said there would be a big cost savings when they laid off those who worked at Christmas and Valentine's Day factories.

"We don't need the number of reindeer that we have used in the past," one of several executive vice presidents said. "We also intend to buy our mistletoe from China and load our sleds with more eucalyptus from Taiwan. Christmas will be a slimmer but more successful holiday, and our profits are expected to soar."

The people at Valentine's Day are not as happy. A cupid doily maker told me, "Everyone knows that Christmas gobbles up everything. Valentine's Day will lose its meaning when the Christmas makers start cutting back on expenses."

Lovers are very sensitive people, and you can't treat them as you would the customers at Toys R Us.

A maker of chocolate truffles for candy boxes added: "The merger doesn't make sense. Christmas appeals to greed — Valentine's Day to affection and tenderness. We're heart specialists. All Christmas thinks about is the bottom line."

There is some question as to whether the Justice Department will permit the two holidays to merge. An antitrust attorney said, "I don't know if we are talking about restraint of trade or not. The Christmas people would like to have Americans spend all their savings in December. The Valentine holiday people have only one big moment in February, and that is when everyone goes to Hallmark. The concern is that if Christmas owns Valentine's, they could start marking up all the greeting cards, and with a monopoly on love it would no longer be dog eat dog."

Santa angrily denied the contentions that the merger would destroy competition. "We're not trying to monopolize the holidays," he fumed. "Our only intention is to cut down on our labor costs. We can save billions of dollars if we dump enough people at Christmas."

"We also can be more efficient. We'll offer two bouquets of roses — to be sent at Christmas and Valentine's Day — for the same price."

"We have to accomplish this merger so we can compete with the Chinese New Year."

We asked Santa what holiday Christmas would merge with in case the Justice Department would not allow him to buy Valentine's Day. "We'd join up with Hallmark. It's become a real money maker."

Shakespeare's Lost Years, à la Tom Stoppard

By Sarah Lyall
New York Times Service

NEW YORK — Many things about William Shakespeare's life and work are shrouded in mystery, but the mystery of what scholars call his lost years is one of the most intriguing of all. What did Shakespeare do from 1585, when he is known to have left his home in Stratford-on-Avon, and 1592, when he re-emerged in London, described as an "upstart crow" in the account of a rival playwright?

And how did he make the enormous artistic leap between his early plays, flawed works like the bloody "Titus Andronicus," and his romantic masterpiece, "Romeo and Juliet," first performed in 1594?

No one knows for sure, and "Shakespeare in Love" provides a fanciful explanation by imagining the young Shakespeare (Joseph Fiennes) as a nearly unknown actor and playwright who finds his poetic voice through a passionate love affair with one Viola de Lesseps, a woman as clever as she is beautiful. That Viola never actually existed, and that she is played by the certifiably American Gwyneth Paltrow (albeit with a plausible English accent), didn't matter to the filmmakers.

The movie is meant to be a high-entertainment mix of fact and fiction, combining a modern sensibility with Shakespearean language and period flourishes, full of the double meanings and sly jokes that characterize the work of Tom Stoppard, its co-writer.

"What's glorious is that so little is known about this period that you're not trapped by any kind of historical circumstance," said John Madden, the director, who is accustomed to reading between the lines of English history, his most recent film having been "Mrs. Brown," which explored the relationship between Queen Victoria and one of her eunuchs.

"At this point, Shakespeare was seen as some sort of hack; his genius was just being recognized," Madden said. "One of the great things is to catch him at this moment, when he wasn't 'the Bard,' when he was just a jobbing actor trying to make his way while suffering from the kind of pressures that we all suffer from. At the same time, he has this genius that he could just turn on a tap."

The formidable cast also includes Geoffrey Rush as Philip Henslowe, the theatrical producer; Rupert Everett as the playwright Christopher Marlowe, Shakespeare's archrival, and



Judi Dench is Queen Elizabeth I in John Madden's "Shakespeare in Love."

a roll-call of British character actors: Imelda Staunton as Viola's nurse and confidante; the hunky Colin Firth as Viola's unpleasant fiancé, the Earl of Wessex; and Judi Dench as a haughty but feminist Queen Elizabeth I.

The film opens to a theatrical crisis. The wolves are at the door: Henslowe, who runs the Rose Theater, is trying to beat back competition from his rival, the Curtain, but he is heavily in debt and desperately in need of a hit. He hopes that Shakespeare, his current playwright-for-hire, will come through with a play that gives the public what it seems to want: a romance, a shipwreck and some slapstick humor involving an unruly dog.

But Shakespeare's play, tentatively titled "Romeo and Ethel, the Pirate's Daughter," is not being written. Bereft of inspiration, Shakespeare is suffering from writer's block, sitting in his garret in London, throwing page after page of his work into the garbage.

It is not until he meets Viola and falls instantly, heavily in love that he finds the muse he has longed for. As the two enter into a steamy, illicit affair — she is rich and has a fiancé; he is poor and has a wife back home

— he finds that words of love and longing and poetry are flowing, as if by magic, from his quill. And the play he ends up writing, "Romeo and Juliet," is different from anything he, or anyone else, has ever produced.

"Shakespeare was doing something radical for his time," said Marc Norman, the Hollywood screenwriter who conceived the plot some years ago (one of his sons gave him the idea), wrote the initial script and is credited as co-writer with Stoppard. "Playwrights writing in that period all adhered to the notion that comedies were comedies and tragedies were tragedies, that a comedy is a story about love that ends in marriage, and that a tragedy ends in death. But in 'Romeo and Juliet,' Shakespeare was starting with a comedy and ending with a tragedy, and nobody had ever done that before."

To Norman, the most interesting question surrounding the play was how Shakespeare was able to leave his more immature work behind and create a piece of such grace and power. "I started to wonder what caused him to do that, what caused him to make that choice," Norman said. "I thought, What if he

had a love affair with a woman who inspired him in the course of writing the play?"

After Norman's initial script, in the early 1990s, Stoppard was brought in for rewrites (the project then languished in Hollywood limbo for some years, moving from Universal to Miramax).

The resulting film is unmistakably Stoppardian, existing on several levels at once, made for a 20th-century audience but full of Elizabethan in-jokes and allusions to Shakespeare's and others' works.

At times, Stoppard has Shakespeare speaking lines from his own plays as dialogue in his daily life, and at times he injects very modern criticisms about the plight of writers (Shakespeare is forever being mistaken for the far more famous and successful Marlowe) and the absurd vanity that pervades the theater.

But Madden, the director, is at pains to make it clear that knowing about Shakespeare and his time are not necessary to enjoying the film. "The screenplay has been carefully crafted so that everyone can catch up and understand it and follow it," he said. "For anyone who wants to spot the references, they're all there, but that absolutely must not be a requirement for seeing the film. They're a bonus."

One suspects that the need to tone down the erudition to widen the film's appeal might have sat heavily with the clever Stoppard. But he knew what he was getting into when he signed up, he said. "Broadly speaking, in theater the director is there to do his best to serve the writer, and in movies the writer is there to serve the director," he said. "I wear a very different writing hat in movies."

At the same time, he enjoyed not having to worry about historical accuracy. Among other things, he was free to make up characters that didn't exist, invent scenes that never happened (between Marlowe and Shakespeare, for instance), and play around with the essence of his real-life characters in his own imagination, something he has done in many of his plays (he has also fooled around with Shakespeare before, in "Rosencrantz and Guildenstern Are Dead").

"I have a special take on historical accuracy, which is that all supposed historical truths are temporary, meaning they're always there to be modified in the light of subsequent discoveries," Stoppard said. "But this film is entertainment, which doesn't require it to be justified in the light of historical theory."

PEOPLE

THE tenor Luciano Pavarotti has canceled three concerts in Berlin because of problems with a German tax case, the Berlin Philharmonic says. Pavarotti, 63, canceled his Dec. 30 and New Year's eve concerts with the Philharmonic and a Jan. 25 concert at the Deutsche Oper in Berlin. The Deutsche Oper said Pavarotti had told them there was "an unclarified situation with the German tax authorities." A Philharmonic spokesman said Pavarotti had canceled on advice from his lawyer in New York. A prosecutor in Mannheim is investigating Pavarotti, Placido Domingo, Jose Carreras and Montserrat Caballe for "fiscal fraud."

Major Ronald Ferguson, the father of Sarah Ferguson, the Duchess of York, says he has been battling prostate cancer for two years. The disclosure came two months after the death of the duchess's mother, Susan Barrantes, in a car crash in Argentina. Ferguson, 67, said on Independent Television News that he wanted to spread awareness of

the most common form of cancer among men. He said he was diagnosed with the disease, which is now in remission, two years ago after a routine medical check-up, but had kept it secret from his family until treatment was under way.

Anthony Hopkins says he will quit

'Private Ryan' Hailed by L.A. Film Critics

New York Times Service

LOS ANGELES — It's Oscar time in Hollywood. In a vote that could foreshadow next year's Academy Awards, the Los Angeles Film Critics Association has named "Saving Private Ryan" best picture of the year and Steven Spielberg, who made the film, best director.

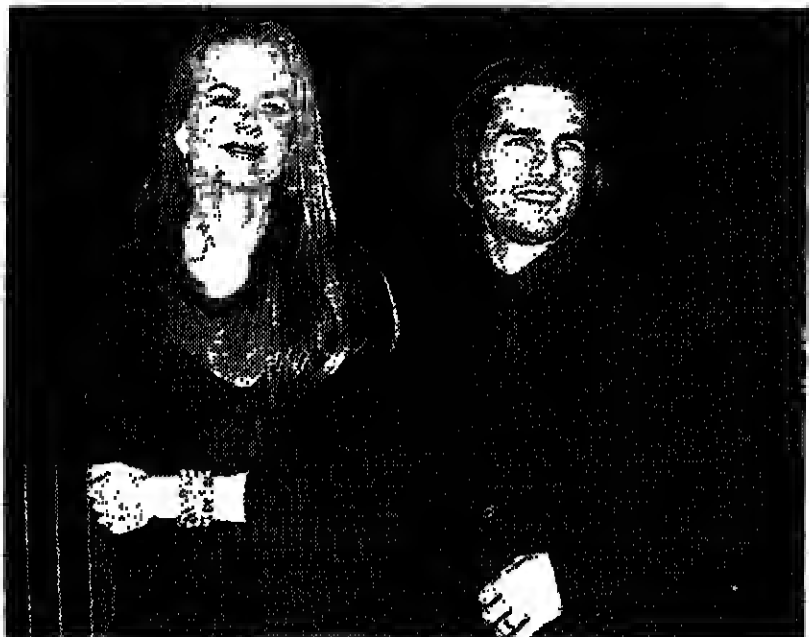
The best actress award was a tie: Fernanda Montenegro, for her part in the drama "Central do Brasil" (Central Station), and Ally Sheedy, who played a once-famous photographer living as a recluse in "High Art." Named best actor by the 49-member group was Ian McKellen for his role as the "Frankenstein" director James Whale in the independent film "Gods and Monsters." The association gave the best screenplay award to Warren Beatty and Jeremy Pocker for the political satire "Bulworth," in which Beatty starred and directed. The best foreign film prize went to the Danish drama "The Celebration."

The Oscar nominations are to be announced on Feb. 9.

acting because he finds it "very bad for one's mental health," the weekly News of the World reported Sunday. The Welsh film star, 60, said that after 35 years in the business he finds it "tiresome, disturbing and deeply distasteful." He added: "My joke has always been, 'It sure beats working for a living.' But the joke has caught up with me now."

A shirt worn by Leonardo DiCaprio in "Titanic" and Michael Keaton's Batman suit fetched thousands of dollars at a memorabilia auction in Hollywood, but neither came close to the Cowardly Lion costume worn by Bert Lahr in "The Wizard of Oz," which sold for \$250,000. The DiCaprio shirt brought \$10,000 at the auction Saturday. The Cowardly Lion costume included the original body and lion pelt, with a re-made headpiece.

A teenage boy who won a nationwide contest to interview a rap group on MTV says the cable channel ended up showing a segment that was horribly out of tune. The music network has apologized to Bradley Jenkins, and agreed to redo a segment that the family said portrayed them as destitute and unhappy. "When you look at the tape, it looks like my life is really bad and my family is really broken," Jenkins told The Times of Trenton. "It was supposed to be a really positive experience for me and it turned out to be really horrible."



IMPORTED — The actress Nicole Kidman and her husband, the actor Tom Cruise, at a party to celebrate the opening in New York of David Hare's "The Blue Room," an adaptation of Schnitzler's "La Ronde."

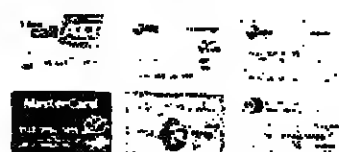


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AGENDA
U.S. Forces in Gulf
on High Alert

WASHINGTON — U.S. military forces in the Persian Gulf are on high alert as tensions rise between Iraq and the United States over the crisis in Kuwait. The Pentagon said Sunday that U.S. forces in the region are on a state of "high alert" and are ready to respond to any eventuality.

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